

**SUBSTITUTE FOR
SENATE BILL NO. 949**

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 201, 201a, 202, 203, 204, 205, 206, 207, 208,
209, 210, 212, 213, 217, 218, 219, 220, 221, 222, 223, 224, 225,
226, 227, 228, 229, and 230 (MCL 388.1801, 388.1801a, 388.1802,
388.1803, 388.1804, 388.1805, 388.1806, 388.1807, 388.1808,
388.1809, 388.1810, 388.1812, 388.1813, 388.1817, 388.1818,
388.1819, 388.1820, 388.1821, 388.1822, 388.1823, 388.1824,
388.1825, 388.1826, 388.1827, 388.1828, 388.1829, and 388.1830), as
added by 2011 PA 62, and by adding sections 202a and 229a; 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

Senate Bill No. 949 as amended April 25, 2012

article, the amounts listed in ~~subsection~~ **SUBSECTIONS (2) <<, (4), AND (5)>>**

are appropriated for community colleges for the fiscal year ending September 30, ~~2012,~~ **2013**, from the funds indicated in this section.

The following is a summary of the appropriations in ~~subsection~~ **SUBSECTIONS (2) <<, (4), AND (5)>>**:

(a) The gross appropriation is ~~\$283,880,500.00.~~ **<<\$294,130,600.00>>**. After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is ~~\$283,880,500.00.~~ **<<\$294,130,600.00>>**.

(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, ~~\$195,880,500.00.~~ **<<\$294,130,600.00>>**.

(v) State general fund/general purpose money, ~~\$88,000,000.00.~~ **\$0.00.**

(2) Subject to subsection (3), the amount appropriated for community college operations is ~~\$283,880,500.00,~~ **\$292,396,900.00**, allocated as follows:

(a) Alpena Community College, ~~\$4,984,300.00.~~ **\$5,111,200.00.**

(b) Bay de Noc Community College, ~~\$5,040,200.00.~~ **\$5,161,300.00.**

(c) Delta College, ~~\$13,336,200.00.~~ **\$13,712,700.00.**

(d) Glen Oaks Community College, ~~\$2,320,900.00.~~ **\$2,383,000.00.**

(e) Gogebic Community College, ~~\$4,140,500.00.~~ **\$4,233,100.00.**

(f) Grand Rapids Community College,

1 ~~\$16,649,700.00.~~**\$17,054,300.00.**
 2 (g) Henry Ford Community College,
 3 ~~\$20,145,000.00.~~**\$20,596,700.00.**
 4 (h) Jackson Community College, ~~\$11,219,700.00.~~**\$11,491,500.00.**
 5 (i) Kalamazoo Valley Community College,
 6 ~~\$11,522,700.00.~~**\$11,828,300.00.**
 7 (j) Kellogg Community College, ~~\$9,047,900.00.~~**\$9,289,300.00.**
 8 (k) Kirtland Community College, ~~\$2,872,900.00.~~**\$2,968,300.00.**
 9 (l) Lake Michigan College, ~~\$4,937,700.00.~~**\$5,059,300.00.**
 10 (m) Lansing Community College, ~~\$28,651,900.00.~~**\$29,335,000.00.**
 11 (n) Macomb Community College, ~~\$30,490,300.00.~~**\$31,206,500.00.**
 12 (o) Mid Michigan Community College,
 13 ~~\$4,266,800.00.~~**\$4,393,400.00.**
 14 (p) Monroe County Community College,
 15 ~~\$4,094,000.00.~~**\$4,223,500.00.**
 16 (q) Montcalm Community College, ~~\$2,946,800.00.~~**\$3,038,500.00.**
 17 (r) C.S. Mott Community College,
 18 ~~\$14,526,400.00.~~**\$14,890,400.00.**
 19 (s) Muskegon Community College, ~~\$8,256,700.00.~~**\$8,456,100.00.**
 20 (t) North Central Michigan College,
 21 ~~\$2,886,500.00.~~**\$2,979,900.00.**
 22 (u) Northwestern Michigan College,
 23 ~~\$8,430,300.00.~~**\$8,624,100.00.**
 24 (v) Oakland Community College, ~~\$19,455,900.00.~~**\$19,977,500.00.**
 25 (w) St. Clair County Community College,
 26 ~~\$6,534,100.00.~~**\$6,697,300.00.**
 27 (x) Schoolcraft College, ~~\$11,477,300.00.~~**\$11,800,500.00.**

1 (y) Southwestern Michigan College,

2 ~~\$6,143,700.00~~-\$6,269,000.00.

3 (z) Washtenaw Community College,

4 ~~\$11,827,300.00~~-\$12,242,000.00.

5 (aa) Wayne County Community College,

6 ~~\$15,425,900.00~~-\$15,798,500.00.

7 (bb) West Shore Community College,

8 ~~\$2,248,900.00~~-\$2,298,200.00.

9 (CC) LOCAL STRATEGIC VALUE, \$1,277,500.00.

10 (3) The amount appropriated in subsection (2) for community
11 college operations is appropriated from the following:

12 (a) School aid fund, ~~\$195,880,500.00~~-\$292,396,900.00.

13 (b) State general fund/general purpose money,

14 ~~\$88,000,000.00~~-\$0.00.

15 (4) FROM THE APPROPRIATIONS DESCRIBED IN SUBSECTION (1), THERE
16 IS APPROPRIATED FOR FISCAL YEAR 2012-2013 AN AMOUNT NOT TO EXCEED
17 \$1,733,600.00 FOR PAYMENTS TO COMMUNITY COLLEGES FROM THE STATE
18 SCHOOL AID FUND. A COMMUNITY COLLEGE THAT RECEIVES MONEY UNDER THIS
19 SUBSECTION SHALL USE THAT MONEY SOLELY FOR THE PURPOSE OF
20 OFFSETTING A PORTION OF THE RETIREMENT CONTRIBUTIONS OWED BY THE
21 COLLEGE FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2013. THE AMOUNT
22 ALLOCATED TO EACH PARTICIPATING COMMUNITY COLLEGE UNDER THIS
23 SUBSECTION SHALL BE BASED ON EACH PARTICIPATING COLLEGE'S TOTAL
24 PAYROLL COVERED BY THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT
25 SYSTEM IN PROPORTION TO THE TOTAL MICHIGAN PUBLIC SCHOOL EMPLOYEES'
26 RETIREMENT SYSTEM-COVERED PAYROLL FOR ALL PARTICIPATING COLLEGES
27 FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR. AS USED IN THIS

Senate Bill No. 949 as amended April 25, 2012

1 SUBSECTION, "PARTICIPATING COLLEGE" MEANS A COMMUNITY COLLEGE THAT
 2 IS A REPORTING UNIT OF THE MICHIGAN PUBLIC SCHOOL EMPLOYEES'
 3 RETIREMENT SYSTEM UNDER THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT
 4 OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1408, AND THAT REPORTS
 5 EMPLOYEES TO THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT
 6 SYSTEM FOR THE STATE FISCAL YEAR.

<<(5) FROM THE APPROPRIATIONS DESCRIBED IN SUBSECTION (1), AN
 AMOUNT NOT TO EXCEED \$100.00 IS APPROPRIATED FOR FISCAL YEAR
 2012-2013 FOR REIMBURSEMENT TO COMMUNITY COLLEGES UNDER SECTION
 12(3) OF THE MICHIGAN RENAISSANCE ZONE ACT, 1996 PA 376, MCL
 125.2692, FOR TAX REVENUE LOST BY COMMUNITY COLLEGES FROM TAXES
 LEVIED IN 2012 AS A RESULT OF THE EXEMPTION OF PROPERTY UNDER THE
 MICHIGAN RENAISSANCE ZONE ACT, 1996 PA 376, MCL 125.2681 TO
 125.2696.>>

7 Sec. 201a. It is the intent of the legislature to provide
 8 appropriations for the fiscal year ending on September 30, ~~2013~~
 9 2014 for the items listed in section 201. The fiscal year ~~2012-2013~~
 10 2013-2014 appropriations are anticipated to be the same as those
 11 for fiscal year ~~2011-2012~~, 2012-2013, except that the amounts will
 12 be adjusted for changes in caseload and related costs, federal fund
 13 match rates, economic factors, and available revenue. These
 14 adjustments will be determined after the January ~~2012-2013~~
 15 consensus revenue estimating conference.

16 Sec. 202. ~~The ALL~~ appropriations authorized under this article
 17 are subject to the management and budget act, 1984 PA 431, MCL
 18 18.1101 to 18.1594.

19 SEC. 202A. AS USED IN THIS ARTICLE, "WORKFORCE DEVELOPMENT
 20 AGENCY" MEANS THE WORKFORCE DEVELOPMENT AGENCY OF THE MICHIGAN
 21 STRATEGIC FUND.

22 Sec. 203. Unless otherwise specified, a community college
 23 ~~receiving~~ THAT RECEIVES appropriations in section 201 and the
 24 workforce development agency shall use the ~~Internet~~ INTERNET to
 25 fulfill the reporting requirements of this article. This
 26 requirement may include transmission of reports via electronic mail
 27 to the recipients identified for each reporting requirement or it

1 may include placement of reports on an ~~Internet~~**INTERNET** or
2 ~~Intranet~~**INTRANET** site.

3 Sec. 204. Funds appropriated in section 201 shall not be used
4 for the purchase of foreign goods or services, or both, if
5 competitively priced and of comparable quality American goods or
6 services, or both, are available. Preference should be given to
7 goods or services, or both, manufactured or provided by Michigan
8 businesses, if they are competitively priced and of comparable
9 quality. In addition, preference should be given to goods or
10 services, or both, that are manufactured or provided by Michigan
11 businesses **THAT ARE** owned and operated by veterans, if they are
12 competitively priced and of comparable quality.

13 Sec. 205. The principal executive officer of each community
14 college ~~receiving~~**THAT RECEIVES** appropriations in section 201 shall
15 take all reasonable steps to ensure businesses in deprived and
16 depressed communities compete for and perform contracts to provide
17 services or supplies, or both. Each principal executive officer
18 shall strongly encourage ~~firms~~**BUSINESSES** with which the community
19 college contracts to subcontract with certified businesses in
20 depressed and deprived communities for services or supplies, or
21 both.

22 Sec. 206. The funds appropriated in section 201 are
23 appropriated for community colleges with fiscal years ending June
24 30, ~~2012-2013~~ and shall be paid out of the state treasury and
25 distributed by the state treasurer to the respective community
26 colleges in 11 monthly installments on the sixteenth of each month,
27 or the next succeeding business day, beginning with October 16,

1 ~~2011-2012~~. Each community college shall accrue its July and August
 2 ~~2012-2013~~ payments to its institutional fiscal year ending June 30,
 3 ~~2012-2013~~. However, if **THE STATE BUDGET DIRECTOR DETERMINES THAT** a
 4 community college ~~fails~~ **FAILED** to submit all verified Michigan
 5 community colleges activities classification structure data for
 6 school year ~~2010-2011-2011-2012~~ to the workforce development agency
 7 by November 1, ~~2011-2012~~, **OR FAILED TO SUBMIT ITS LONGITUDINAL**
 8 **DATA SYSTEM DATA SET FOR SCHOOL YEAR 2011-2012 TO THE CENTER FOR**
 9 **EDUCATIONAL PERFORMANCE AND INFORMATION UNDER SECTION 219, THE**
 10 **STATE TREASURER SHALL WITHHOLD** the monthly installments ~~shall be~~
 11 ~~withheld~~ from that community college until those data are
 12 submitted. **THE STATE BUDGET DIRECTOR SHALL NOTIFY THE CHAIRS OF THE**
 13 **HOUSE AND SENATE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY COLLEGES**
 14 **AT LEAST 10 DAYS BEFORE WITHHOLDING FUNDS FROM ANY COMMUNITY**
 15 **COLLEGE.**

16 Sec. 207. (1) A community college shall pay the employer's
 17 contributions to the Michigan public school employees' retirement
 18 system created by the public school employees retirement act of
 19 1979, 1980 PA 300, MCL 38.1301 to 38.1408. ~~as~~ **THIS PAYMENT IS** a
 20 condition of receiving funds appropriated under this article.

21 (2) A community college shall not pay an employer's
 22 contribution to more than 1 retirement fund providing benefits for
 23 an employee.

24 Sec. 208. ~~Money~~ **A COMMUNITY COLLEGE SHALL NOT USE MONEY**
 25 appropriated in section 201 ~~shall not be used~~ to pay for the
 26 construction or maintenance of a self-liquidating project. A
 27 community college shall comply with the current use and finance

1 requirements of the joint capital outlay subcommittee (JCOS) for
2 any construction, renovation, or other capital outlay projects
3 pursuant to JCOS policy. The appropriation in section 201 for a
4 community college that fails to comply with JCOS requirements shall
5 be reduced by 1% for each violation.

6 Sec. 209. (1) ~~From the funds appropriated in section 201, each~~
7 ~~community college shall develop, post, and maintain, on a user-~~
8 ~~friendly and publicly accessible Internet site, a comprehensive~~
9 ~~report categorizing all institutional general fund expenditures~~
10 ~~made by the community college within a fiscal year. The report~~
11 ~~shall include institutional general fund expenditure amounts~~
12 ~~categorized both by each academic unit, administrative unit, or~~
13 ~~external initiative within the community college and by major~~
14 ~~expenditure category, including faculty and staff salaries and~~
15 ~~fringe benefits, facility related costs, supplies and equipment,~~
16 ~~contracts, and transfers to and from other community college funds.~~
17 ~~The report shall also include a list of all employee positions~~
18 ~~funded partially or wholly through institutional general fund~~
19 ~~revenue that includes the position title, name, and annual salary~~
20 ~~or wage amount for each position. The community college shall not~~
21 ~~provide financial information on its website under this section if~~
22 ~~doing so would violate a federal or state law, rule, regulation, or~~
23 ~~guideline that establishes privacy or security standards applicable~~
24 ~~to that financial information.~~ **WITHIN 30 DAYS AFTER THE BOARD OF A**
25 **COMMUNITY COLLEGE ADOPTS ITS ANNUAL OPERATING BUDGET FOR THE**
26 **FOLLOWING SCHOOL FISCAL YEAR, OR AFTER THE BOARD ADOPTS A**
27 **SUBSEQUENT REVISION TO THAT BUDGET, THE COMMUNITY COLLEGE SHALL**

1 MAKE ALL OF THE FOLLOWING AVAILABLE THROUGH A LINK ON ITS WEBSITE
2 HOMEPAGE IN A FORM AND MANNER PRESCRIBED BY THE DEPARTMENT OF
3 TECHNOLOGY, MANAGEMENT, AND BUDGET:

4 (A) THE ANNUAL OPERATING BUDGET AND SUBSEQUENT BUDGET
5 REVISIONS.

6 (B) A SUMMARY OF CURRENT EXPENDITURES FOR THE MOST RECENT
7 FISCAL YEAR FOR WHICH THEY ARE AVAILABLE, EXPRESSED AS PIE CHARTS
8 IN THE FOLLOWING 2 CATEGORIES:

9 (i) A CHART OF PERSONNEL EXPENDITURES, BROKEN INTO THE
10 FOLLOWING SUBCATEGORIES:

11 (A) SALARIES AND WAGES.

12 (B) EMPLOYEE BENEFIT COSTS, INCLUDING, BUT NOT LIMITED TO,
13 MEDICAL, DENTAL, VISION, LIFE, DISABILITY, AND LONG-TERM CARE
14 BENEFITS.

15 (C) RETIREMENT BENEFIT COSTS.

16 (D) ALL OTHER PERSONNEL COSTS.

17 (ii) A CHART OF ALL CURRENT EXPENDITURES THE COMMUNITY COLLEGE
18 REPORTED TO THE CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION
19 UNDER SECTION 94A, BROKEN INTO THE SUBCATEGORIES DESCRIBED IN THE
20 MANUAL FOR UNIFORM FINANCIAL REPORTING DESCRIBED IN SECTION 217.

21 (C) LINKS TO ALL OF THE FOLLOWING FOR THE COMMUNITY COLLEGE:

22 (i) THE CURRENT COLLECTIVE BARGAINING AGREEMENT FOR EACH
23 BARGAINING UNIT.

24 (ii) EACH HEALTH CARE BENEFITS PLAN, INCLUDING, BUT NOT LIMITED
25 TO, MEDICAL, DENTAL, VISION, DISABILITY, LONG-TERM CARE, OR ANY
26 OTHER TYPE OF BENEFITS THAT WOULD CONSTITUTE HEALTH CARE SERVICES,
27 OFFERED TO ANY BARGAINING UNIT OR EMPLOYEE OF THE COMMUNITY

1 COLLEGE.

2 (iii) AUDITS AND FINANCIAL REPORTS FOR THE MOST RECENT FISCAL
3 YEAR FOR WHICH THEY ARE AVAILABLE.

4 (2) FOR COMPLIANCE WITH THE PERFORMANCE INDICATORS FORMULA,
5 THE COMMUNITY COLLEGE MUST COMPLY WITH ALL OF THE FOLLOWING:

6 (A) THE COMMUNITY COLLEGE SHALL PROVIDE A DASHBOARD OR REPORT
7 CARD DEMONSTRATING THE COLLEGE'S PERFORMANCE IN SEVERAL "BEST
8 PRACTICE" MEASURES. THE DASHBOARD OR REPORT CARD SHALL INCLUDE AT
9 LEAST ALL OF THE FOLLOWING FOR THE 3 MOST RECENT SCHOOL YEARS FOR
10 WHICH THE DATA ARE AVAILABLE:

11 (i) ENROLLMENT.

12 (ii) STUDENT RETENTION RATE.

13 (iii) TRANSFER RATES TO 4-YEAR INSTITUTIONS.

14 (iv) NUMBER OF PELL GRANT RECIPIENTS.

15 (v) GEOGRAPHIC ORIGINATION OF STUDENTS, CATEGORIZED AS IN-
16 DISTRICT, OUT-OF-DISTRICT, OUT-OF-STATE, AND FOREIGN.

17 (vi) FACULTY-TO-STUDENT RATIOS AND TOTAL COLLEGE EMPLOYEE-TO-
18 STUDENT RATIOS.

19 (vii) GRADUATION OUTCOME RATES, INCLUDING EMPLOYMENT AND
20 CONTINUING EDUCATION.

21 (viii) A BOARD OF TRUSTEES RESOLUTION REGARDING COMPLIANCE WITH
22 BEST PRACTICES FOR THE LOCAL STRATEGIC VALUE COMPONENT DESCRIBED IN
23 SECTION 201(2)(CC).

24 (3) FOR STATEWIDE CONSISTENCY AND PUBLIC VISIBILITY, COMMUNITY
25 COLLEGES MUST USE THE ICON BADGE PROVIDED BY THE DEPARTMENT OF
26 TECHNOLOGY, MANAGEMENT, AND BUDGET CONSISTENT WITH THE ICON BADGE
27 DEVELOPED BY THE DEPARTMENT OF EDUCATION FOR K-12 SCHOOL DISTRICTS.

1 IT MUST APPEAR ON THE FRONT OF EACH COMMUNITY COLLEGE'S HOMEPAGE.
2 THE SIZE OF THE ICON MAY BE REDUCED TO 150 X 150 PIXELS. THE FONT
3 SIZE AND STYLE FOR THIS REPORTING MUST BE CONSISTENT WITH OTHER
4 DOCUMENTS ON EACH COLLEGE'S WEBSITE. TO BE IN COMPLIANCE WITH THIS
5 SECTION, ALL DATA ELEMENTS DEFINED IN THIS SECTION MUST BE
6 AVAILABLE ON THE COLLEGE'S HOMEPAGE, IN A FORM AND MANNER
7 PRESCRIBED BY THE DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET,
8 BY DECEMBER 31, 2012.

9 (4) THE STATE BUDGET DIRECTOR SHALL DETERMINE WHETHER A
10 COMMUNITY COLLEGE HAS COMPLIED WITH THIS SECTION. THE STATE BUDGET
11 DIRECTOR MAY WITHHOLD A COMMUNITY COLLEGE'S MONTHLY INSTALLMENTS
12 DESCRIBED IN SECTION 206 UNTIL THE COMMUNITY COLLEGE COMPLIES WITH
13 THIS SECTION.

14 (5) ~~(2)~~—Each community college shall report the following
15 information to the senate and house appropriations subcommittees on
16 community colleges, the senate and house fiscal agencies, and the
17 state budget office by November 15, ~~2011~~, ~~2012~~, and post that
18 information on the Internet website required under subsection (1):

19 (a) Budgeted fiscal year ~~2011-2012-2012-2013~~ general fund
20 revenue from tuition and fees.

21 (b) Budgeted fiscal year ~~2011-2012-2012-2013~~ general fund
22 revenue from state appropriations.

23 (c) Budgeted fiscal year ~~2011-2012-2012-2013~~ general fund
24 revenue from property taxes.

25 (d) Budgeted fiscal year ~~2011-2012-2012-2013~~ total general
26 fund revenue.

27 (e) Budgeted fiscal year ~~2011-2012-2012-2013~~total general

1 fund expenditures.

2 Sec. 210. (1) Recognizing the critical importance of education
3 in strengthening Michigan's workforce, the legislature encourages
4 ~~the state's public community colleges~~ **EACH COMMUNITY COLLEGE** to
5 explore ways of increasing collaboration and cooperation with 4-
6 year universities, particularly in the areas related to training,
7 instruction, and program articulation.

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

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

15 Sec. 212. It is the intent of the legislature to encourage
16 community college districts to evaluate and pursue efficiency and
17 cost-containment measures that maximize state funding. Community
18 colleges shall identify practices that increase efficiencies,
19 including, but not limited to, establishing joint ventures,
20 consolidating services, utilizing program collaborations,
21 maximizing educational benefits through optimal class sizes and
22 frequency of course offerings, increasing web-based instruction,
23 eliminating low-enrollment and high-cost instructional programs,
24 using self-insurance, practicing energy conservation, and utilizing
25 group purchasing. ~~Efficiency efforts~~ **COMMUNITY COLLEGES** shall also
26 ~~include reviewing~~ **REVIEW** proposed capital outlay projects to
27 increase coordination and utilization of new facilities, renovation

1 projects, and technology improvements.

2 Sec. 213. It is the intent of the legislature that community
3 colleges work with public universities in the state to implement
4 statewide reverse transfer agreements to increase the number of
5 students that are awarded credentials of value upon completion of
6 the necessary credits. ~~In doing so, the institutions should work~~
7 ~~collaboratively and cooperatively to remove administrative barriers~~
8 ~~that result in understating the academic attainment of Michigan's~~
9 ~~citizens. It is the intent of the legislature that by August 1,~~
10 ~~2012, THESE statewide agreements be in place between community~~
11 ~~colleges and public universities that SHALL enable students who~~
12 have earned a significant number of credits at a community college
13 and transfer to a baccalaureate-granting institution before
14 completing a degree to ~~transfer~~ **TRANSFERRED** the credits earned at
15 the baccalaureate institution back to the community college in
16 order to be awarded a credential of value.

17 Sec. 217. Unless otherwise **SPECIFICALLY** stated, all data items
18 used in determining state aid in this article are as defined in the
19 "2001 Manual for Uniform Financial Reporting, Michigan Public
20 Community Colleges", which shall be the basis for reporting data,
21 and the "Activities Classification Structure Manual for Michigan
22 Community Colleges", as amended, which shall be used to document
23 financial needs of the community colleges.

24 Sec. 218. ~~A community college~~ **COMMUNITY COLLEGES** shall not
25 include in the enrollment data reported for determining state aid
26 under this article any student credit hours or student contact
27 hours for a student incarcerated in a Michigan penal institution.

1 Exclusion of these students is intended to avoid the payment of
2 state aid under this article for the same individuals for whom
3 reimbursement is provided by the state correctional system.

4 Sec. 219. A community college receiving funds in section 201
5 shall ~~cooperate~~**COMPLY** with the state's efforts to establish a
6 ~~statewide~~**AND MAINTAIN THE** P-20 education-longitudinal data system
7 **DESCRIBED IN SECTION 94A** to ~~comply with the state fiscal~~
8 ~~stabilization fund provisions of the American recovery and~~
9 ~~reinvestment act of 2009, Public Law 111-5.~~**INFORM THE STATE'S**
10 **SCHOOL DISTRICTS AND CITIZENS ABOUT THE OVERALL PERFORMANCE OF**
11 **THEIR INVESTMENT IN PUBLIC EDUCATION.**

12 Sec. 220. (1) The auditor general or a certified public
13 accountant appointed by the auditor general may conduct performance
14 audits of community colleges as the auditor general considers
15 necessary.

16 (2) ~~Not more than~~**WITHIN** 60 days after an audit report is
17 released by the office of the auditor general, the principal
18 executive officer of the community college that was audited shall
19 submit to the house and senate appropriations committees, the house
20 and senate fiscal agencies, the workforce development agency, the
21 auditor general, and the state budget director a plan to comply
22 with audit recommendations. The plan shall contain projected dates
23 and resources required, if any, to achieve compliance with the
24 audit recommendations, or a documented explanation of the college's
25 noncompliance with the audit recommendations concerning the matters
26 on which the audited community college and office of the auditor
27 general disagree.

1 Sec. 221. (1) A community college shall retain certified class
2 summaries, class lists, registration documents, and student
3 transcripts that are consistent with the taxonomy of courses. For
4 each enrollment period during the fiscal year, these certified
5 documents shall identify clearly by course the number of in-
6 district and out-of-district student credit and contact hours. The
7 class summaries and class lists shall be consistent with each other
8 and shall include the course prefix and numbers, course title,
9 course credit and contact hours, credit and contact hours generated
10 by each student, and activity classifications consistent with the
11 taxonomy. An auditable process shall be used by the community
12 college to determine the unduplicated head count for in-district
13 students, out-of-district students, and prisoners for each
14 enrollment period during the fiscal year.

15 (2) ~~Contracts~~ **A COMMUNITY COLLEGE SHALL RETAIN ALL CONTRACTS**
16 between the community college and agencies that reimburse the
17 community college for the costs of instruction ~~shall be retained~~
18 for audit purposes.

19 Sec. 222. Each community college shall have an annual audit of
20 all income and expenditures performed by an independent auditor and
21 shall furnish the independent auditor's management letter and an
22 annual audited accounting of all general and current funds income
23 and expenditures including audits of college foundations to the
24 members of the senate and house appropriations subcommittees on
25 community colleges, the senate and house fiscal agencies, the
26 auditor general, the workforce development agency, and the state
27 budget director before November 15 ~~, 2011.~~ **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 community college shall make the information the community college is required to provide under this section available to the public on its ~~Internet~~**INTERNET** website.

Sec. 223. Each community college shall report the following to the workforce development agency no later than November 1 ~~, 2011~~**OF**

EACH YEAR:

(a) The number of North American Indian students enrolled each term for the previous fiscal year, using guidelines and procedures developed by the workforce development agency and the ~~Michigan commission on Indian affairs~~**DEPARTMENT OF CIVIL RIGHTS**.

(b) The number of North American Indian tuition waivers granted each term, and the monetary value of the waivers for the previous fiscal year.

Sec. 224. Upon request, a community college shall inform interested Michigan high schools of the aggregate academic status of its students for the ~~prior~~**PREVIOUS** academic year, in a manner prescribed by the Michigan community college association and in cooperation with the Michigan association of secondary school principals. **COMMUNITY COLLEGES SHALL COOPERATE WITH THE CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION TO DESIGN AND IMPLEMENT A SYSTEMATIC APPROACH FOR ACCOMPLISHING THIS WORK.**

Sec. 225. Each community college shall report to the house and

1 senate fiscal agencies, the state budget director, and the
2 workforce development agency by August 31, ~~2011,~~**2012**, the tuition
3 and mandatory fees paid by a full-time in-district student and a
4 full-time out-of-district student as established by the college
5 governing board for the ~~2010-2011~~**2011-2012** academic year. This
6 report should also include the annual cost of attendance based on a
7 full-time course load of 30 credits. Each community college shall
8 also report any revisions to the reported ~~2010-2011~~**2011-2012**
9 academic year tuition and mandatory fees adopted by the college
10 governing board to the house and senate fiscal agencies, the state
11 budget director, and the workforce development agency within 15
12 days of being adopted.

13 Sec. 226. Each community college shall report to the workforce
14 development agency the numbers and type of associate degrees and
15 other certificates awarded during the previous fiscal year. The
16 report shall be made not later than November 15 ~~, 2011.~~**OF EACH**
17 **YEAR.**

18 Sec. 227. ~~Funds~~**A COMMUNITY COLLEGE SHALL NOT USE FUNDS**
19 appropriated in section 201 ~~shall not be used~~ to enter into a lease
20 for, or to purchase, a vehicle assembled or manufactured outside of
21 the United States if competitively priced and comparable quality
22 vehicles made in the state of Michigan or elsewhere in the United
23 States of America are available.

24 Sec. 228. A community college shall not take disciplinary
25 action against an employee for communicating with a member of the
26 legislature or ~~his or her~~**THE LEGISLATOR'S** staff.

27 Sec. 229. It is the intent of the legislature that each

community college ~~receiving~~ **THAT RECEIVES** an appropriation in section 201 include in its admission application process a specific question as to whether an applicant for admission is a veteran, an active member of the military, a member of the national guard or military reserves, or the spouse or dependent of a veteran, active member of the military, or member of the national guard or military reserves, in order to more quickly identify potential educational assistance available to that applicant. 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, ~~title V of Public Law 110-252,~~ 38 USC 3301 to 3324.

SEC. 229A. INCLUDED IN THE FISCAL YEAR 2012-2013 APPROPRIATIONS FOR THE DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET ARE APPROPRIATIONS 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, \$428,100.00.
- (B) BAY DE NOC COMMUNITY COLLEGE, \$618,000.00.
- (C) DELTA COLLEGE, \$2,610,000.00.
- (D) GLEN OAKS COMMUNITY COLLEGE, \$123,000.00.
- (E) GOGEBIC COMMUNITY COLLEGE, \$60,000.00.
- (F) GRAND RAPIDS COMMUNITY COLLEGE, \$1,675,000.00.
- (G) HENRY FORD COMMUNITY COLLEGE, \$1,110,000.00.

1 (H) JACKSON COMMUNITY COLLEGE, \$1,563,000.00.
 2 (I) KALAMAZOO VALLEY COMMUNITY COLLEGE, \$1,467,000.00.
 3 (J) KELLOGG COMMUNITY COLLEGE, \$520,000.00.
 4 (K) KIRTLAND COMMUNITY COLLEGE, \$363,300.00.
 5 (L) LAKE MICHIGAN COLLEGE, \$340,000.00.
 6 (M) LANSING COMMUNITY COLLEGE, \$384,000.00.
 7 (N) MACOMB COMMUNITY COLLEGE, \$1,313,100.00.
 8 (O) MID MICHIGAN COMMUNITY COLLEGE, \$915,000.00.
 9 (P) MONROE COUNTY COMMUNITY COLLEGE, \$1,355,000.00.
 10 (Q) MONTCALM COMMUNITY COLLEGE, \$756,000.00.
 11 (R) C.S. MOTT COMMUNITY COLLEGE, \$1,803,000.00.
 12 (S) MUSKEGON COMMUNITY COLLEGE, \$198,000.00.
 13 (T) NORTHWESTERN MICHIGAN COLLEGE, \$1,305,000.00.
 14 (U) OAKLAND COMMUNITY COLLEGE, \$465,000.00.
 15 (V) ST. CLAIR COUNTY COMMUNITY COLLEGE, \$356,100.00.
 16 (W) SCHOOLCRAFT COLLEGE, \$1,546,100.00.
 17 (X) SOUTHWESTERN MICHIGAN COLLEGE, \$530,600.00.
 18 (Y) WASHTENAW COMMUNITY COLLEGE, \$1,993,000.00.
 19 (Z) WAYNE COUNTY COMMUNITY COLLEGE, \$1,890,000.00.
 20 (AA) WEST SHORE COMMUNITY COLLEGE, \$577,000.00.

21 Sec. 230. (1) It is the intent of the legislature that the
 22 recommendations and performance measures developed by the
 23 performance indicators task force formed pursuant to ~~UNDER~~ section
 24 242 of 2005 PA 154 be reviewed and more fully implemented for
 25 distribution of state funding to community colleges in future
 26 years. ~~Specifically, it is the intent of the legislature that the~~
 27 ~~performance indicators task force review and implement 1 or more~~

~~measurable data items for the local strategic value indicator and review and implement 1 or more measurable data items for an administrative cost formula component.~~

(2) CONSISTENT WITH SUBSECTION (1), ADDITIONAL FUNDING PROVIDED TO COMMUNITY COLLEGE OPERATIONS UNDER SECTION 201 IN FISCAL YEAR 2012-2013 IS DISTRIBUTED BASED ON THE FOLLOWING FORMULA:

(A) ALLOCATED PROPORTIONATE TO FISCAL YEAR 2011-2012 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 AND DESCRIBED IN SUBSECTION (3), 15%.

(3) THE APPROPRIATION IN SECTION 201(2)(CC) 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 NOVEMBER 1, 2012, THAT THE COLLEGE HAS MET 4 OUT OF 5 BEST PRACTICES LISTED IN EACH CATEGORY DESCRIBED IN SUBSECTION (4). 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 (4). AMOUNTS DISTRIBUTED UNDER LOCAL STRATEGIC VALUE

1 SHALL BE ON A PROPORTIONATE BASIS TO EACH COLLEGE'S FISCAL YEAR
2 2011-2012 OPERATIONS FUNDING. PAYMENTS TO COMMUNITY COLLEGES THAT
3 QUALIFY FOR LOCAL STRATEGIC VALUE FUNDING SHALL BE DISTRIBUTED WITH
4 THE NOVEMBER INSTALLMENT PAYMENT DESCRIBED IN SECTION 206.

5 (4) FOR PURPOSES OF SUBSECTION (3), THE FOLLOWING CATEGORIES
6 OF BEST PRACTICES REFLECT FUNCTIONAL ACTIVITIES OF COMMUNITY
7 COLLEGES THAT HAVE STRATEGIC VALUE TO THE LOCAL COMMUNITIES AND
8 REGIONAL ECONOMIES:

9 (A) FOR CATEGORY A, ECONOMIC DEVELOPMENT AND BUSINESS OR
10 INDUSTRY PARTNERSHIPS, THE FOLLOWING:

11 (i) THE COMMUNITY COLLEGE HAS ACTIVE PARTNERSHIPS WITH LOCAL
12 EMPLOYERS INCLUDING HOSPITALS AND HEALTH CARE PROVIDERS.

13 (ii) THE COMMUNITY COLLEGE PROVIDES CUSTOMIZED ON-SITE TRAINING
14 FOR AREA COMPANIES, EMPLOYEES, OR BOTH.

15 (iii) THE COMMUNITY COLLEGE SUPPORTS ENTREPRENEURSHIP THROUGH A
16 SMALL BUSINESS ASSISTANCE CENTER OR OTHER TRAINING OR CONSULTING
17 ACTIVITIES TARGETED TOWARD SMALL BUSINESSES.

18 (iv) THE COMMUNITY COLLEGE SUPPORTS TECHNOLOGICAL ADVANCEMENT
19 THROUGH INDUSTRY PARTNERSHIPS, INCUBATION ACTIVITIES, OR OPERATION
20 OF A MICHIGAN TECHNICAL EDUCATION CENTER OR OTHER ADVANCED
21 TECHNOLOGY CENTER.

22 (v) THE COMMUNITY COLLEGE HAS ACTIVE PARTNERSHIPS WITH LOCAL
23 OR REGIONAL WORKFORCE AND ECONOMIC DEVELOPMENT AGENCIES.

24 (B) FOR CATEGORY B, EDUCATIONAL PARTNERSHIPS, THE FOLLOWING:

25 (i) THE COMMUNITY COLLEGE HAS ACTIVE PARTNERSHIPS WITH REGIONAL
26 HIGH SCHOOLS, INTERMEDIATE SCHOOL DISTRICTS, AND CAREER-TECH
27 CENTERS TO PROVIDE INSTRUCTION THROUGH DUAL ENROLLMENT, DIRECT

1 CREDIT, MIDDLE COLLEGE, OR ACADEMY PROGRAMS.

2 (ii) THE COMMUNITY COLLEGE HOSTS, SPONSORS, OR PARTICIPATES IN
3 ENRICHMENT PROGRAMS FOR AREA K-12 STUDENTS, SUCH AS COLLEGE DAYS,
4 SUMMER OR AFTER-SCHOOL PROGRAMMING, OR SCIENCE OLYMPIAD.

5 (iii) THE COMMUNITY COLLEGE PROVIDES, SUPPORTS, OR PARTICIPATES
6 IN PROGRAMMING TO PROMOTE SUCCESSFUL TRANSITIONS TO COLLEGE FOR
7 TRADITIONAL AGE STUDENTS, INCLUDING GRANT PROGRAMS SUCH AS TALENT
8 SEARCH, UPWARD BOUND, OR OTHER ACTIVITIES TO PROMOTE COLLEGE
9 READINESS IN AREA HIGH SCHOOLS AND COMMUNITY CENTERS.

10 (iv) THE COMMUNITY COLLEGE PROVIDES, SUPPORTS, OR PARTICIPATES
11 IN PROGRAMMING TO PROMOTE SUCCESSFUL TRANSITIONS TO COLLEGE FOR NEW
12 OR REENTERING ADULT STUDENTS, SUCH AS ADULT BASIC EDUCATION, GED
13 PREPARATION, GED TESTING, OR RECRUITING, ADVISING, OR ORIENTATION
14 ACTIVITIES SPECIFIC TO ADULTS.

15 (v) THE COMMUNITY COLLEGE HAS ACTIVE PARTNERSHIPS WITH
16 REGIONAL 4-YEAR COLLEGES AND UNIVERSITIES TO PROMOTE SUCCESSFUL
17 TRANSFER, SUCH AS ARTICULATION, 2+2, OR REVERSE TRANSFER AGREEMENTS
18 OR OPERATION OF A UNIVERSITY CENTER.

19 (C) FOR CATEGORY C, COMMUNITY SERVICES, THE FOLLOWING:

20 (i) THE COMMUNITY COLLEGE PROVIDES CONTINUING EDUCATION
21 PROGRAMMING FOR LEISURE, WELLNESS, PERSONAL ENRICHMENT, OR
22 PROFESSIONAL DEVELOPMENT.

23 (ii) THE COMMUNITY COLLEGE OPERATES OR SPONSORS OPPORTUNITIES
24 FOR COMMUNITY MEMBERS TO ENGAGE IN ACTIVITIES THAT PROMOTE LEISURE,
25 WELLNESS, CULTURAL OR PERSONAL ENRICHMENT SUCH AS COMMUNITY SPORTS
26 TEAMS, THEATER OR MUSICAL ENSEMBLES, OR ARTIST GUILDS.

27 (iii) THE COMMUNITY COLLEGE OPERATES PUBLIC FACILITIES TO

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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.

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 2012-2013 under article II is estimated at <<\$294,130,600.00>> and the amount of that state spending from state sources to be paid to local units of government for fiscal year 2012-2013 is estimated at <<\$294,130,600.00>>.

Enacting section 2. Sections 210a, 211, 214, and 216 of the state school aid act of 1979, 1979 PA 94, MCL 388.1810a, 388.1811, 388.1814, and 388.1816, are repealed.

Enacting section 3. This amendatory act takes effect October 1, 2012.