FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning

Senate Bill No. 762, entitled

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 201, 201a, 202a, 206, 209, 210b, 217, 224, 225, 229, 229a, 229b, and 230 (MCL 388.1801, 388.1801a, 388.1802a, 388.1806, 388.1809, 388.1810b, 388.1817, 388.1824, 388.1825, 388.1829, 388.1829a, 388.1829b, and 388.1830), sections 201, 201a, 206, 209, 224, 225, 229, 229a, and 230 as amended and sections 210b and 229b as added by 2013 PA 60 and section 217 as amended and section 202a as added by 2012 PA 201, and by adding sections 207a, 207b, and 207c.

Recommends:

First: That the House recede from the Substitute of the House as passed by the House.

Second: That the Senate and House agree to the Substitute of the Senate as passed by the Senate, amended to read as follows:

(attached)

Third: That the Senate and House agree to the title of the bill to read as follows:

A bill to amend 1979 PA 94, entitled "An act to make appropriations to aid in the support of the public schools, the intermediate school districts, community colleges, and public universities of the state; to make appropriations for certain other purposes relating to education; to provide for the disbursement of the appropriations; to authorize the issuance of certain bonds and provide for the security of those bonds; to prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to create certain funds and provide for their expenditure; to prescribe penalties; and to repeal acts and parts of acts," by amending sections 201, 201a, 202a, 206, 209, 210b, 217, 224, 225, 229, 229a, and 230 (MCL 388.1801, 388.1801a, 388.1802a, 388.1806, 388.1809, 388.1810b, 388.1817, 388.1824, 388.1825, 388.1829, 388.1829a, and 388.1830), sections 201, 201a, 206, 209, 224, 225, 229, 229a, and 230 as amended and section 210b as added by 2013 PA 60 and section 202a as added and section 217 as amended by 2012 PA 201, and by adding sections 207a, 207b, and 207c; and to repeal acts and parts of acts.

Darwin L. Booher

Paul Muxlow

Roger Kahn

Greg MacMaster

Glenn Anderson

Adam F. Zemke

Conferees for the Senate

Conferees for the House

SUBSTITUTE FOR

SENATE BILL NO. 762

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 201, 201a, 202a, 206, 209, 210b, 217, 224, 225, 229, 229a, and 230 (MCL 388.1801, 388.1801a, 388.1802a, 388.1806, 388.1809, 388.1810b, 388.1817, 388.1824, 388.1825, 388.1829, 388.1829a, and 388.1830), sections 201, 201a, 206, 209, 224, 225, 229, 229a, and 230 as amended and section 210b as added by 2013 PA 60 and section 202a as added and section 217 as amended by 2012 PA 201, and by adding sections 207a, 207b, and 207c; 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 subsections (2), (4), (5), (6), and

2 fiscal year ending September 30, 2014, **2015,** from the funds indicated in this section. The following is a summary of the 3 4 appropriations in subsections (2), (4), (5), (6), and (7):THIS 5 SECTION: 6 (a) The gross appropriation is $\frac{335,977,600.00}{335,977,600.00}$. 7 \$364,724,900.00. After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted 8 9 gross appropriation is \$335,977,600.00.\$364,724,900.00. 10 (b) The sources of the adjusted gross appropriation described 11 in subdivision (a) are as follows: 12 (*i*) Total federal revenues, \$0.00. (ii) Total local revenues, \$0.00. 13 (iii) Total private revenues, \$0.00. 14 (iv) Total other state restricted revenues, \$197,614,100.00. 15 16 (v) State general fund/general purpose money, \$138,363,500.00.\$167,110,800.00. 17 18 (2) Subject to subsection (3), the amount appropriated for 19 community college operations is \$298,244,000.00, \$307,191,300.00,

20 allocated as follows:

1

(a) THE APPROPRIATION FOR Alpena Community College \$5,221,100.00.IS \$5,390,700.00, \$5,236,500.00 FOR OPERATIONS AND
 \$154,200.00 FOR PERFORMANCE FUNDING.

(b) THE APPROPRIATION FOR Bay de Noc Community College \$5,263,800.00.IS \$5,419,500.00, \$5,279,300.00 FOR OPERATIONS AND
 \$140,200.00 FOR PERFORMANCE FUNDING.

27 (c) THE APPROPRIATION FOR Delta College , \$14,022,200.00.IS

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(7) THIS SECTION are appropriated for community colleges for the

\$14,498,900.00, \$14,063,500.00 FOR OPERATIONS AND \$435,400.00 FOR
 PERFORMANCE FUNDING.

3 (d) THE APPROPRIATION FOR Glen Oaks Community College 4 \$2,434,300.00.IS \$2,516,100.00, \$2,441,500.00 FOR OPERATIONS AND
5 \$74,600.00 FOR PERFORMANCE FUNDING.

6 (e) THE APPROPRIATION FOR Gogebic Community College 7 \$4,317,500.00.IS \$4,451,400.00, \$4,330,300.00 FOR OPERATIONS AND
8 \$121,100.00 FOR PERFORMANCE FUNDING.

9 (f) THE APPROPRIATION FOR Grand Rapids Community College \$17,403,500.00.IS \$17,947,500.00, \$17,454,900.00 FOR OPERATIONS AND
 \$492,600.00 FOR PERFORMANCE FUNDING.

(g) THE APPROPRIATION FOR Henry Ford Community College \$20,997,900.00.IS \$21,623,800.00, \$21,060,000.00 FOR OPERATIONS AND
 \$563,800.00 FOR PERFORMANCE FUNDING.

(h) THE APPROPRIATION FOR Jackson Community College \$11,723,600.00.IS \$12,087,300.00, \$11,758,200.00 FOR OPERATIONS AND
 \$329,100.00 FOR PERFORMANCE FUNDING.

18 (i) THE APPROPRIATION FOR Kalamazoo Valley Community College 19 \$12,086,900.00 IS \$12,503,100.00, \$12,122,500.00 FOR OPERATIONS AND
 20 \$380,600.00 FOR PERFORMANCE FUNDING.

(j) THE APPROPRIATION FOR Kellogg Community College \$9,494,000.00.IS \$9,813,500.00, \$9,522,000.00 FOR OPERATIONS AND
 \$291,500.00 FOR PERFORMANCE FUNDING.

(k) THE APPROPRIATION FOR Kirtland Community College \$3,046,800.00.IS \$3,167,700.00, \$3,055,700.00 FOR OPERATIONS AND
 \$112,000.00 FOR PERFORMANCE FUNDING.

27 (1) THE APPROPRIATION FOR Lake Michigan College -

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\$5,162,900.00.IS \$5,342,900.00, \$5,178,100.00 FOR OPERATIONS AND
 \$164,800.00 FOR PERFORMANCE FUNDING.

3 (m) THE APPROPRIATION FOR Lansing Community College 4 \$29,935,300.00.IS \$30,877,600.00, \$30,023,700.00 FOR OPERATIONS AND
5 \$853,900.00 FOR PERFORMANCE FUNDING.

6 (n) THE APPROPRIATION FOR Macomb Community College 7 \$31,837,200.00.IS \$32,816,600.00, \$31,931,200.00 FOR OPERATIONS AND
 8 \$885,400.00 FOR PERFORMANCE FUNDING.

9 (o) THE APPROPRIATION FOR Mid Michigan Community College 10 \$4,504,700.00.IS \$4,682,000.00, \$4,517,900.00 FOR OPERATIONS AND
11 \$164,100.00 FOR PERFORMANCE FUNDING.

(p) THE APPROPRIATION FOR Monroe County Community College \$4,329,900.00.IS \$4,492,900.00, \$4,342,600.00 FOR OPERATIONS AND
 \$150,300.00 FOR PERFORMANCE FUNDING.

15 (q) THE APPROPRIATION FOR Montcalm Community College -\$3,112,000.00.IS \$3,226,700.00, \$3,121,200.00 FOR OPERATIONS AND \$105,500.00 FOR PERFORMANCE FUNDING.

(r) THE APPROPRIATION FOR C.S. Mott Community College \$15,202,200.00.IS \$15,686,100.00, \$15,247,100.00 FOR OPERATIONS AND
 \$439,000.00 FOR PERFORMANCE FUNDING.

(s) THE APPROPRIATION FOR Muskegon Community College \$8,628,000.00.IS \$8,901,000.00, \$8,653,500.00 FOR OPERATIONS AND
 \$247,500.00 FOR PERFORMANCE FUNDING.

(t) THE APPROPRIATION FOR North Central Michigan College \$3,055,400.00.IS \$3,172,400.00, \$3,064,400.00 FOR OPERATIONS AND
 \$108,000.00 FOR PERFORMANCE FUNDING.

27 (u) THE APPROPRIATION FOR Northwestern Michigan College -

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\$8,799,300.00.IS \$9,078,800.00, \$8,825,300.00 FOR OPERATIONS AND
 \$253,500.00 FOR PERFORMANCE FUNDING.

3 (v) THE APPROPRIATION FOR Oakland Community College 4 \$20,422,900.00.IS \$21,123,300.00, \$20,483,100.00 FOR OPERATIONS AND
 5 \$640,200.00 FOR PERFORMANCE FUNDING.

6 (w) THE APPROPRIATION FOR St. Clair County Community College 7 \$6,839,900.00.IS \$7,061,600.00, \$6,860,100.00 FOR OPERATIONS AND
8 \$201,500.00 FOR PERFORMANCE FUNDING.

9 (x) THE APPROPRIATION FOR Schoolcraft College 10 \$12,076,700.00.IS \$12,513,700.00, \$12,112,200.00 FOR OPERATIONS AND
 11 \$401,500.00 FOR PERFORMANCE FUNDING.

(y) THE APPROPRIATION FOR Southwestern Michigan College \$6,385,400.00.IS \$6,576,400.00, \$6,404,300.00 FOR OPERATIONS AND
 \$172,100.00 FOR PERFORMANCE FUNDING.

(z) THE APPROPRIATION FOR Washtenaw Community College \$12,573,900.00.IS \$13,077,300.00, \$12,610,800.00 FOR OPERATIONS AND
 \$466,500.00 FOR PERFORMANCE FUNDING.

(aa) THE APPROPRIATION FOR Wayne County Community College \$16,146,700.00.IS \$16,727,600.00, \$16,194,300.00 FOR OPERATIONS AND
 \$533,300.00 FOR PERFORMANCE FUNDING.

(bb) THE APPROPRIATION FOR West Shore Community College \$2,342,900.00.IS \$2,414,900.00, \$2,349,800.00 FOR OPERATIONS AND
 \$65,100.00 FOR PERFORMANCE FUNDING.

24 (cc) Local strategic value, \$877,100.00.

25 (3) The amount appropriated in subsection (2) for community26 college operations is appropriated from the following:

27 (a) State school aid fund, \$195,880,500.00.

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(b) State general fund/general purpose money,

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2 \$102,363,500.00.**\$111,310,800.00.**

(4) From the appropriations described in subsection (1), there 3 4 is SUBJECT TO SECTION 207A, THE AMOUNT appropriated for fiscal year 5 2013 2014 an amount not to exceed \$1,733,600.00 for payments to community colleges from the state school aid fund. A community 6 college that receives money under this subsection shall use that 7 money solely for the purpose of offsetting a portion of the 8 9 retirement contributions owed by the college for the fiscal year 10 ending September 30, 2014. The amount allocated to each 11 participating community college under this section shall be based 12 on each participating college's total payroll covered by the 13 retirement system-covered payroll for all participating colleges 14 for the immediately preceding state fiscal year.2014-2015 TO OFFSET CERTAIN FISCAL YEAR 2014-2015 RETIREMENT CONTRIBUTIONS IS 15 \$1,733,600.00, APPROPRIATED FROM THE STATE SCHOOL AID FUND. 16 17 (5) From the appropriations described in subsection (1), there 18 is SUBJECT TO SECTION 207B, THE AMOUNT appropriated an amount not 19 to exceed \$31,400,000.00 from the state general fund for payments 20 to community colleges that are participating entities of the 21 retirement system IS \$52,300,000.00, APPROPRIATED FROM GENERAL 22 FUND/GENERAL PURPOSE MONEY. All of the following apply to the appropriations described in this subsection: 23 24 (a) The amount of a payment under this subsection shall be the difference between the unfunded actuarial accrued liability 25 26 contribution rate as calculated under section 41 of the public 27 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 1 2 public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341. 3 4 (b) The amount allocated to each community college under this 5 subsection shall be based on each community college's percentage of the total covered payroll for all community colleges that are 6 participating colleges in the immediately preceding fiscal year. A 7 community college that receives funds under this subsection shall 8 use the funds solely for the purpose of retirement contributions 9 10 under subdivision (c). 11 (c) Each participating college receiving funds under this 12 subsection shall forward an amount equal to the amount allocated under subdivision (b) to the retirement system in a form and manner 13 14 determined by the retirement system. (6) All of the following apply to community colleges described 15 in section 12(3) of the Michigan renaissance zone act, MCL 16 17 125.2692: ------(a) From the appropriations described in subsection (1), the 18 19 following SUBJECT TO SECTION 207C, THE amount is appropriated for 20 reimbursement to community colleges under section 12(3) of the 21 Michigan renaissance zone act, MCL 125.2692:RENAISSANCE ZONE TAX 22 REIMBURSEMENTS IS \$3,500,000.00, APPROPRIATED FROM GENERAL 23 FUND/GENERAL PURPOSE MONEY. 24 (i) If the amount of tax revenue lost by community colleges as a result of the exemption of property under the Michigan 25 renaissance zone act in fiscal year 2012 2013 is \$3,500,000.00 or 26 27 more, \$3,500,000.00 from the state general fund.

7

1	(ii) If the amount of tax revenue lost by community colleges as
2	a result of the exemption of property under the Michigan
3	renaissance zone act in fiscal year 2012-2013 is less than
4	\$3,500,000.00, the actual amount of tax revenue lost by the
5	community colleges.
6	(b) The amount allocated to each community college under this
7	subsection shall be based on that community college's proportion of
8	total revenue lost by community colleges in fiscal year 2012-2013
9	as a result of the exemption of property under the Michigan
10	renaissance zone act.
11	(c) The appropriations described in this subsection shall be
12	made to each eligible community college within 60 days after the
13	department of treasury certifies to the state budget director that
14	it has received all necessary information to properly determine the
15	amounts of tax revenue lost by each eligible community college in
16	fiscal year 2012-2013 under section 12 of the Michigan renaissance
17	zone act, MCL 125.2692.
18	(7) From the appropriations described in subsection (1), there
19	is appropriated \$1,100,000.00 from the state general fund, for
20	fiscal year 2013-2014 only, to the Michigan community college
21	association, for the purpose of expanding the Michigan community
22	college virtual learning collaborative. The Michigan community
23	college association shall provide information on request to the
24	house and senate subcommittees on community colleges, the house and
25	senate fiscal agencies, and the state budget director on the use of
26	these funds until the project is completed.
27	(8) As used in this section:

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(a) "Michigan renaissance zone act" means the Michigan 1 2 renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696. (b) "Participating college" means a community college that is 3 a reporting unit of the retirement system and that reports 4 5 employees to the retirement system for the state fiscal year. (c) "Retirement board" means the board that administers the 6 7 retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437. 8

9 (d) "Retirement system" means the Michigan public school 10 employees' retirement system under the public school employees 11 retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

12 Sec. 201a. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2015 13 14 **2016** for the items listed in section 201. The fiscal year 2014 2015 15 2015-2016 appropriations are anticipated to be the same as those for fiscal year 2013-2014, 2014-2015, except that the amounts will 16 17 be adjusted for changes in **RETIREMENT COSTS**, caseload and related 18 costs, federal fund match rates, economic factors, and available 19 revenue. These adjustments will be determined after the January 20 2014 2015 consensus revenue estimating conference.

(A) "MICHIGAN RENAISSANCE ZONE ACT" MEANS THE MICHIGAN
RENAISSANCE ZONE ACT, 1996 PA 376, MCL 125.2681 TO 125.2696.

(B) "PARTICIPATING COLLEGE" MEANS A COMMUNITY COLLEGE THAT IS
A REPORTING UNIT OF THE RETIREMENT SYSTEM AND THAT REPORTS
EMPLOYEES TO THE RETIREMENT SYSTEM FOR THE STATE FISCAL YEAR.
(C) "RETIREMENT BOARD" MEANS THE BOARD THAT ADMINISTERS THE

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RETIREMENT SYSTEM UNDER THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT
 OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1437.

10

3 (D) "RETIREMENT SYSTEM" MEANS THE MICHIGAN PUBLIC SCHOOL
4 EMPLOYEES' RETIREMENT SYSTEM UNDER THE PUBLIC SCHOOL EMPLOYEES
5 RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1301 TO 38.1437.

6 (E) "WORKFORCE development agency" means the workforce
7 development agency of the Michigan strategic fund.

Sec. 206. The funds appropriated in section 201 are 8 9 appropriated for community colleges with fiscal years ending June 10 30, 2014**2015** and shall be paid out of the state treasury and 11 distributed by the state treasurer to the respective community 12 colleges in 11 monthly installments on the sixteenth of each month, 13 or the next succeeding business day, beginning with October 16, 14 2013. 2014. Each community college shall accrue its July and August 15 2014-2015 payments to its institutional fiscal year ending June 30, 16 2014. 2015. However, if the state budget director determines that a 17 community college failed to submit all verified Michigan community 18 colleges activities classification structure data for school year 19 2012-2013-2013-2014 to the workforce development agency by November 20 1, 2013, 2014, or failed to submit its longitudinal data system 21 data set for school year 2012-2013-2013-2014 to the center for 22 educational performance and information under section 219, the 23 state treasurer shall withhold the monthly installments from that 24 community college until those data are submitted. The state budget director shall notify the chairs of the house and senate 25 26 appropriations subcommittees on community colleges at least 10 days 27 before withholding funds from any community college.

1 SEC. 207A. ALL OF THE FOLLOWING APPLY TO THE ALLOCATION OF THE 2 APPROPRIATIONS DESCRIBED IN SECTION 201(4):

3 (A) A COMMUNITY COLLEGE THAT RECEIVES MONEY UNDER SECTION
4 201(4) SHALL USE THAT MONEY SOLELY FOR THE PURPOSE OF OFFSETTING A
5 PORTION OF THE RETIREMENT CONTRIBUTIONS OWED BY THE COLLEGE FOR THE
6 FISCAL YEAR ENDING SEPTEMBER 30, 2015.

7 (B) THE AMOUNT ALLOCATED TO EACH PARTICIPATING COMMUNITY 8 COLLEGE UNDER SECTION 201(4) SHALL BE BASED ON EACH PARTICIPATING 9 COLLEGE'S TOTAL PAYROLL COVERED BY THE RETIREMENT SYSTEM-COVERED 10 PAYROLL FOR ALL PARTICIPATING COLLEGES FOR FISCAL YEAR 2013-2014.

SEC. 207B. ALL OF THE FOLLOWING APPLY TO THE ALLOCATION OF THE
 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

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1 RETIREMENT CONTRIBUTIONS UNDER SECTION 201(5).

2 (C) EACH PARTICIPATING COLLEGE THAT RECEIVES FUNDS UNDER
3 SECTION 201(5) SHALL FORWARD AN AMOUNT EQUAL TO THE AMOUNT
4 ALLOCATED UNDER SUBDIVISION (B) TO THE RETIREMENT SYSTEM IN A FORM
5 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,
MCL 125.2692:

10 (A) THE AMOUNT ALLOCATED TO EACH COMMUNITY COLLEGE UNDER
11 SECTION 201(6) SHALL BE BASED ON THAT COMMUNITY COLLEGE'S
12 PROPORTION OF TOTAL REVENUE LOST BY COMMUNITY COLLEGES IN FISCAL
13 YEAR 2013-2014 AS A RESULT OF THE EXEMPTION OF PROPERTY UNDER THE
14 MICHIGAN RENAISSANCE ZONE ACT.

(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 EACH ELIGIBLE COMMUNITY COLLEGE IN
FISCAL YEAR 2013-2014 UNDER SECTION 12 OF THE MICHIGAN RENAISSANCE
ZONE ACT, 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:

27 (a) The annual operating budget and subsequent budget

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1 revisions.

2 (b) A link to the most recent "Activities Classification
3 Structure Manual for Michigan Community Colleges".DATA BOOK AND
4 COMPANION".

5 (c) General fund revenue and expenditure projections for
6 fiscal year 2013-2014-2014-2015 and fiscal year 2014-2015.20157 2016.

8 (d) A listing of all debt service obligations, detailed by
9 project, anticipated fiscal year 2013-2014-2014-2015 payment of
10 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.

15 (f) Links to all of the following for the community college:
16 (i) The current collective bargaining agreement for each
17 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.

23 (*iii*) Audits and financial reports for the most recent fiscal24 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(3).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 7 community college has complied with this section. The state budget 8 9 director may withhold a community college's monthly installments 10 described in section 206 until the community college complies with 11 this section. The state budget director shall notify the chairs of 12 the house and senate appropriations subcommittee on community 13 colleges at least 10 days before withholding funds from any 14 community college.

15 (4) Each community college shall report the following 16 information to the senate and house appropriations subcommittees on 17 community colleges, the senate and house fiscal agencies, and the 18 state budget office by November 15 , 2013, OF EACH FISCAL YEAR and 19 post that information on the internet website required under 20 subsection (1):

(a) Budgeted fiscal year 2013-2014 2014-2015 general fund
revenue from tuition and fees.

23 (b) Budgeted fiscal year 2013-2014-2014-2015 general fund
24 revenue from state appropriations.

25 (c) Budgeted fiscal year 2013-2014-2014-2015 general fund
26 revenue from property taxes.

27

(d) Budgeted fiscal year 2013-2014 2014-2015 total general

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1 fund revenue.

2 (e) Budgeted fiscal year 2013-2014-2014-2015 total general
3 fund expenditures.

4 (5) BY NOVEMBER 15 OF EACH YEAR, A COMMUNITY COLLEGE SHALL
5 REPORT THE FOLLOWING INFORMATION TO THE CENTER FOR EDUCATIONAL
6 PERFORMANCE AND INFORMATION AND POST THE INFORMATION ON ITS WEBSITE
7 UNDER THE BUDGET TRANSPARENCY ICON BADGE:

8 (A) OPPORTUNITIES FOR EARNING COLLEGE CREDIT THROUGH THE
9 FOLLOWING PROGRAMS:

10 (i) STATE APPROVED CAREER AND TECHNICAL EDUCATION OR A TECH
11 PREP ARTICULATED PROGRAM OF STUDY.

12 (*ii*) DIRECT COLLEGE CREDIT OR CONCURRENT ENROLLMENT.

13 (*iii*) DUAL ENROLLMENT.

14 (*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:

17 (i) THE NUMBER OF HIGH SCHOOL STUDENTS PARTICIPATING IN THE18 PROGRAM.

19 (*ii*) THE NUMBER OF SCHOOL DISTRICTS THAT PARTICIPATE IN THE
20 PROGRAM WITH THE COMMUNITY COLLEGE.

21 (*iii*) WHETHER A COLLEGE PROFESSOR, QUALIFIED LOCAL SCHOOL
22 DISTRICT EMPLOYEE, OR OTHER INDIVIDUAL TEACHES THE COURSE OR
23 COURSES IN THE PROGRAM.

24 (*iv*) THE TOTAL COST TO THE COMMUNITY COLLEGE TO OPERATE THE
25 PROGRAM.

26 (ν) THE COST PER CREDIT HOUR FOR THE COURSE OR COURSES IN THE 27 PROGRAM.

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(vi) THE LOCATION WHERE THE COURSE OR COURSES IN THE PROGRAM
 ARE HELD.

3 (vii) INSTRUCTIONAL RESOURCES OFFERED TO THE PROGRAM
4 INSTRUCTORS.

5 (viii) RESOURCES OFFERED TO THE STUDENT IN THE PROGRAM.

6 (*ix*) TRANSPORTATION SERVICES PROVIDED TO STUDENTS IN THE
7 PROGRAM.

8 Sec. 210b. (1) It is the intent of the legislature that the 9 Michigan association of collegiate registrars and admissions 10 officers implement any agreement or agreements among the community 11 colleges and universities concerning the transferability of college 12 courses resulting from the recommendations of the committee created 13 under former section 210a.

14 (2) It is the intent of the legislature that the Michigan 15 association of collegiate registrars and admissions officers, the Michigan community college association, and the presidents council, 16 17 state universities of Michigan shall together submit an 18 implementation update report to the senate and house appropriations 19 subcommittees on community colleges and higher education, the 20 senate and house fiscal agencies, and the state budget director by 21 March 1, 2014.2015.

Sec. 217. (1) Unless otherwise specifically stated, all data items used in determining state aid in this article are as defined in the "2001 Manual for Uniform Financial Reporting, Michigan Public Community Colleges", which shall be the basis for reporting data, and the "Activities Classification Structure Manual for Michigan Community Colleges", as amended, which shall be used to

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document financial needs of the community colleges. THE WORKFORCE
 DEVELOPMENT AGENCY SHALL DO ALL OF THE FOLLOWING:

3 (A) ESTABLISH, MAINTAIN, AND COORDINATE THE STATE COMMUNITY
4 COLLEGE DATABASE COMMONLY KNOWN AS THE "ACTIVITIES CLASSIFICATION
5 STRUCTURE" OR "ACS" DATABASE.

6 (B) COLLECT DATA CONCERNING COMMUNITY COLLEGES AND COMMUNITY
7 COLLEGE PROGRAMS IN THIS STATE, INCLUDING DATA REQUIRED BY LAW.

8 (C) ESTABLISH PROCEDURES TO ENSURE THE VALIDITY AND
9 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.

14 (E) PROVIDE DATA IN A USEFUL MANNER TO ALLOW STATE
15 POLICYMAKERS AND COMMUNITY COLLEGE OFFICIALS TO MAKE INFORMED
16 POLICY DECISIONS.

17 (F) ASSIST COMMUNITY COLLEGES IN COMPLYING WITH AUDITS UNDER18 THIS SECTION OR FEDERAL LAW.

19 (2) THERE IS CREATED WITHIN THE WORKFORCE DEVELOPMENT AGENCY
20 THE ACTIVITIES CLASSIFICATION STRUCTURE ADVISORY COMMITTEE. THE
21 COMMITTEE SHALL PROVIDE ADVICE TO THE DIRECTOR OF THE WORKFORCE
22 DEVELOPMENT AGENCY REGARDING THE MANAGEMENT OF THE STATE COMMUNITY
23 COLLEGE DATABASE, INCLUDING, BUT NOT LIMITED TO:

24 (A) DETERMINING WHAT DATA ARE NECESSARY TO COLLECT AND
25 MAINTAIN TO ENABLE STATE AND COMMUNITY COLLEGE OFFICIALS TO MAKE
26 INFORMED POLICY DECISIONS.

27

(B) DEFINING THE ROLES OF ALL STAKEHOLDERS IN THE DATA

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1 COLLECTION SYSTEM.

2 (C) RECOMMENDING TIMELINES FOR THE IMPLEMENTATION AND ONGOING 3 COLLECTION OF DATA.

4 (D) ESTABLISHING AND MAINTAINING DATA DEFINITIONS, DATA
5 TRANSMISSION PROTOCOLS, AND SYSTEM SPECIFICATIONS AND PROCEDURES
6 FOR THE EFFICIENT AND ACCURATE TRANSMISSION AND COLLECTION OF DATA.
7 (E) ESTABLISHING AND MAINTAINING A PROCESS FOR ENSURING THE
8 ACCURACY OF THE DATA.

9 (F) ESTABLISHING AND MAINTAINING POLICIES RELATED TO DATA
10 COLLECTION, INCLUDING, BUT NOT LIMITED TO, PRIVACY POLICIES RELATED
11 TO INDIVIDUAL STUDENT DATA.

12 (G) ENSURING THAT THE DATA ARE MADE AVAILABLE TO STATE
13 POLICYMAKERS AND CITIZENS OF THIS STATE IN THE MOST USEFUL FORMAT
14 POSSIBLE.

(H) ADDRESSING OTHER MATTERS AS DETERMINED BY THE DIRECTOR OF
 THE WORKFORCE DEVELOPMENT AGENCY OR AS REQUIRED BY LAW.

17 (3) THE ACTIVITIES CLASSIFICATION STRUCTURE ADVISORY COMMITTEE
 18 CREATED IN SUBSECTION (2) SHALL CONSIST OF THE FOLLOWING MEMBERS:

19 (A) ONE REPRESENTATIVE FROM THE HOUSE FISCAL AGENCY, APPOINTED20 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.

23 (C) ONE REPRESENTATIVE FROM THE WORKFORCE DEVELOPMENT AGENCY,
24 APPOINTED BY THE DIRECTOR OF THE WORKFORCE DEVELOPMENT AGENCY.

(D) ONE REPRESENTATIVE FROM THE STATE BUDGET OFFICE, APPOINTED
BY THE STATE BUDGET DIRECTOR.

27 (E) ONE REPRESENTATIVE FROM THE GOVERNOR'S POLICY OFFICE,

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1 APPOINTED BY THAT OFFICE.

(F) FOUR REPRESENTATIVES OF THE MICHIGAN COMMUNITY COLLEGES
ASSOCIATION, APPOINTED BY THE PRESIDENT OF THE ASSOCIATION. FROM
THE GROUPINGS OF COMMUNITY COLLEGES GIVEN IN TABLE 17 OF THE
ACTIVITIES CLASSIFICATION STRUCTURE REPORT DESCRIBED IN SUBSECTION
(4), THE ASSOCIATION SHALL APPOINT 1 REPRESENTATIVE EACH FROM GROUP
1, GROUP 2, AND GROUP 3, AND 1 REPRESENTATIVE FROM EITHER GROUP 3
OR 4.

9 (4) THE ACTIVITIES CLASSIFICATION STRUCTURE ADVISORY COMMITTEE 10 SHALL REVIEW THE EXISTING ACTIVITIES CLASSIFICATION STRUCTURE 11 REPORT, DATA, DEFINITIONS, PROCESSES, AND OTHER ITEMS AS NEEDED AND 12 PUBLISH AN INITIAL REPORT ON THEIR FINDINGS AND RECOMMENDATIONS BY 13 JULY 30, 2015. THIS REPORT SHALL BE SUBMITTED TO THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY COLLEGES, THE 14 15 SENATE AND HOUSE FISCAL AGENCIES, THE DIRECTOR OF THE WORKFORCE 16 DEVELOPMENT AGENCY, THE STATE BUDGET DIRECTOR, AND THE MICHIGAN 17 COMMUNITY COLLEGES ASSOCIATION.

18 Sec. 224. A community college shall use the P-20 longitudinal 19 data system to inform interested Michigan high schools AND THE 20 **PUBLIC** of the aggregate academic status of its students for the 21 previous academic year, in a manner prescribed by the Michigan 22 community college association and in cooperation with the Michigan 23 association of secondary school principals. Community colleges 24 shall cooperate with the center for educational performance and 25 information to design and implement MAINTAIN a systematic approach for accomplishing this work. 26

27

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

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senate fiscal agencies, the state budget director, and the 1 2 workforce development agency by August 31, 2013, 2014, 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 2013-2014-2014-2015 academic year. This 6 report should also include the annual cost of attendance based on a full-time course load of 30 credits. Each community college shall 7 also report any revisions to the reported 2012 2013 or 2013 2014 8 9 2014-2015 academic year tuition and mandatory fees adopted by the 10 college governing board to the house and senate fiscal agencies, 11 the state budget director, and the workforce development agency 12 within 15 days of being adopted.

Sec. 229. (1) It is the intent of the legislature that each 13 14 community college that receives an appropriation in section 201 15 include in its admission application process a specific question as 16 to whether an applicant for admission is a veteran, an active 17 member of the military, a member of the national quard or military 18 reserves, or the spouse or dependent of a veteran, active member of 19 the military, or member of the national guard or military reserves, 20 HAS EVER SERVED OR IS CURRENTLY SERVING IN THE UNITED STATES ARMED 21 FORCES OR IS THE SPOUSE OR DEPENDENT OF AN INDIVIDUAL WHO HAS 22 SERVED OR IS CURRENTLY SERVING IN THE UNITED STATES ARMED FORCES, 23 in order to more quickly identify potential educational assistance 24 available to that applicant.

(2) It is the intent of the legislature that each public
community college that receives an appropriation in section 201
shall work with the house and senate community college

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subcommittees, the Michigan 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.

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

Sec. 229a. Included in the fiscal year 2013 2014 2014-2015 8 9 appropriations for the department of technology, management, and 10 budget are appropriations to provide funding for the state share of 11 costs for previously constructed capital projects for community 12 colleges. Those appropriations for state building authority rent 13 represent additional state general fund support for community 14 colleges, and the following is an estimate of the amount of that 15 support to each community college:

16 (a) Alpena Community College, \$434,500.00.\$485,400.00.

17 (b) Bay de Noc Community College, \$644,500.00.\$636,600.00.

18 (c) Delta College, \$2,877,700.00.\$2,842,800.00.

- 19 (d) Glen Oaks Community College, \$124,900.00.\$123,300.00.
- 20 (e) Gogebic Community College, \$78,100.00.\$16,900.00.
- 21 (f) Grand Rapids Community College,

22 \$1,700,400.00.**\$1,792,400.00.**

- 23 (g) Henry Ford Community College, \$1,126,800.00.\$1,030,800.00.
- 24 (h) Jackson Community College, \$1,809,500.00.\$1,787,300.00.
- 25 (i) Kalamazoo Valley Community College,

26 \$1,489,300.00.**\$1,471,000.00.**

27

(j) Kellogg Community College, \$527,900.00.**\$521,400.00.**

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(k) Kirtland Community College, \$368,800.00.\$364,000.00. 1 (*l*) Lake Michigan College, \$345,200.00.\$340,900.00. 2 (m) Lansing Community College, \$617,600.00.\$610,100.00. 3 4 (n) Macomb Community College, \$1,332,900.00.\$1,316,600.00. (o) Mid Michigan Community College, \$928,900.00.\$1,117,300.00. 5 6 (p) Monroe County Community College, \$1,375,600.00.\$1,266,500.00. 7 (q) Montcalm Community College, \$1,015,700.00.\$973,700.00. 8 9 (r) C.S. Mott Community College, \$1,830,400.00.\$1,808,000.00. (s) Muskeqon Community College, \$201,000.00.\$198,500.00. 10 (t) North Central Michigan College, \$476,300.00.\$117,600.00. 11 12 (u) Northwestern Michigan College, \$1,324,800.00.\$1,308,600.00. 13 (v) Oakland Community College, \$472,100.00.\$466,300.00. 14 15 (w) St. Clair County Community College, \$361,400.00.\$357,000.00. 16 (x) Schoolcraft College, \$1,569,500.00.\$1,550,300.00. 17 18 (y) Southwestern Michigan College, \$538,600.00.\$231,100.00. 19 (z) Washtenaw Community College, \$2,023,100.00.\$1,680,600.00. 20 (aa) Wayne County Community College, \$1,918,700.00.\$1,466,000.00. 21 (bb) West Shore Community College, \$585,800.00.\$578,600.00. 22 Sec. 230. (1) It is the intent of the legislature that the 23 24 recommendations and performance measures developed by the 25 performance indicators task force formed under section 242 of 2005

- 26 PA 154 be reviewed and more fully implemented for distribution of
- 27 state funding to community colleges in future years.

(2) Any additional funding provided to MONEY INCLUDED IN THE
 APPROPRIATIONS FOR community college operations under section
 201(2) in fiscal year 2013-2014 that exceeds the amounts
 appropriated for operations in fiscal year 2012-2013 2014-2015 FOR
 PERFORMANCE FUNDING is distributed based on the following formula:

 (a) Allocated proportionate to fiscal year 2012-2013 2013-2014

 base appropriations, 50%.

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

9 (c) Based on administrative costs, 7.5%.

10 (d) Based on a weighted degree formula as provided for in the
11 2006 recommendations of the performance indicators task force,
12 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), (2), 15%.

(2) (3) The appropriation in section 201(2) (cc) MONEY INCLUDED 16 IN THE APPROPRIATIONS FOR COMMUNITY COLLEGE OPERATIONS UNDER 17 18 SECTION 201(2) for local strategic value shall be allocated to each 19 community college that certifies to the state budget director, 20 through a board of trustees resolution on or before November 1, 21 2013, OCTOBER 15, 2014, that the college has met 4 out of 5 best 22 practices listed in each category described in subsection (4). (3). 23 The resolution shall provide specifics as to how the community 24 college meets each best practice measure within each category. Onethird of funding available under the strategic value component 25 26 shall be allocated to each category described in subsection (4). 27 (3). Amounts distributed under local strategic value shall be on a

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proportionate basis to each college's fiscal year 2012-2013-2013 2014 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.

5 (3) (4) For purposes of subsection (3), (2), the following
6 categories of best practices reflect functional activities of
7 community colleges that have strategic value to the local
8 communities and regional economies:

9 (a) For Category A, economic development and business or10 industry partnerships, the following:

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

13 (*ii*) The community college provides customized on-site training14 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.

(v) The community college has active partnerships with localor 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

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1 ENROLLMENT, direct 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, GENERAL EDUCATION DEVELOPMENT CERTIFICATE 14 PREPARATION AND TESTING, or recruiting, advising, or orientation 15 activities specific to adults.

16 (v) The community college has active partnerships with 17 regional 4-year colleges and universities to promote successful 18 transfer, such as articulation, 2+2, or reverse transfer agreements 19 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.

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(*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.

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

9 (v) The community college promotes, sponsors, or hosts
10 community service activities for students, staff, or community
11 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 2014-2015 under article II is estimated at \$364,724,900.00 and the amount of that state spending from state sources to be paid to local units of government for fiscal year 2014-2015 is estimated at

18 \$364,724,900.00.

Enacting section 2. Section 229b of the state school aid act
of 1979, 1979 PA 94, MCL 388.1829b, is repealed effective October
1, 2014.

22 Enacting section 3. This amendatory act takes effect October23 1, 2014.