SUBSTITUTE FOR

SENATE BILL NO. 199

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 201, 201a, 206, 208, 209, 210, 224, 225, 229, 229a, 230, and 296 (MCL 388.1801, 388.1801a, 388.1806, 388.1808, 388.1809, 388.1810, 388.1824, 388.1825, 388.1829, 388.1829a, 388.1830, and 388.1896), section 201 as amended by 2012 PA 465, sections 201a, 206, 208, 209, 210, 224, 225, 229, and 230 as amended and section 229a as added by 2012 PA 201, and section 296 as added by 2011 PA 62, and by adding sections 201b, 210b, and 229b; 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 subsections (2)**,** ~~and~~ (4)**, (5), AND (7)** are appropriated for community colleges for the fiscal year ending September 30, ~~2013,~~ **2014,** from the funds indicated in this section. The following is a summary of the appropriations in subsections (2)**,** ~~and~~ (4)**, (5), AND (7)**:

(a) The gross appropriation is ~~$294,130,500.00.~~ **$335,977,600.00.** After deducting total interdepartmental grants and intradepartmental transfers in the amount of $0.00, the adjusted gross appropriation is ~~$294,130,500.00.~~**$335,977,600.00.**

(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, $197,614,100.00.

(*v*) State general fund/general purpose money, ~~$96,516,400.00.~~**$138,363,500.00.**

(2) Subject to subsection (3), the amount appropriated for community college operations is ~~$292,396,900.00,~~ **$298,244,000.00,** allocated as follows:

(a) Alpena Community College, ~~$5,111,200.00.~~**$5,221,100.00.**

(b) Bay de Noc Community College, ~~$5,161,300.00.~~**$5,263,800.00.**

(c) Delta College, ~~$13,712,700.00.~~**$14,022,200.00.**

(d) Glen Oaks Community College, ~~$2,383,000.00.~~**$2,434,300.00.**

(e) Gogebic Community College, ~~$4,233,100.00.~~**$4,317,500.00.**

(f) Grand Rapids Community College, ~~$17,054,300.00.~~**$17,403,500.00.**

(g) Henry Ford Community College, ~~$20,596,700.00.~~**$20,997,900.00.**

(h) Jackson Community College, ~~$11,491,500.00.~~**$11,723,600.00.**

(i) Kalamazoo Valley Community College, ~~$11,828,300.00.~~**$12,086,900.00**

(j) Kellogg Community College, ~~$9,289,300.00.~~**$9,494,000.00.**

(k) Kirtland Community College, ~~$2,968,300.00.~~**$3,046,800.00.**

(*l*) Lake Michigan College, ~~$5,059,300.00.~~**$5,162,900.00.**

(m) Lansing Community College, ~~$29,335,000.00.~~**$29,935,300.00.**

(n) Macomb Community College, ~~$31,206,500.00.~~**$31,837,200.00.**

(o) Mid Michigan Community College, ~~$4,393,400.00.~~**$4,504,700.00.**

(p) Monroe County Community College, ~~$4,223,500.00.~~**$4,329,900.00.**

(q) Montcalm Community College, ~~$3,038,500.00.~~**$3,112,000.00.**

(r) C.S. Mott Community College, ~~$14,890,400.00.~~**$15,202,200.00.**

(s) Muskegon Community College, ~~$8,456,100.00.~~**$8,628,000.00.**

(t) North Central Michigan College, ~~$2,979,900.00.~~**$3,055,400.00.**

(u) Northwestern Michigan College, ~~$8,624,100.00.~~**$8,799,300.00.**

(v) Oakland Community College, ~~$19,977,500.00.~~**$20,422,900.00.**

(w) St. Clair County Community College, ~~$6,697,300.00.~~**$6,839,900.00.**

(x) Schoolcraft College, ~~$11,800,500.00.~~**$12,076,700.00.**

(y) Southwestern Michigan College,

~~$6,269,000.00.~~**$6,385,400.00.**

(z) Washtenaw Community College, ~~$12,242,000.00.~~**$12,573,900.00.**

(aa) Wayne County Community College, ~~$15,798,500.00.~~**$16,146,700.00.**

(bb) West Shore Community College, ~~$2,298,200.00.~~**$2,342,900.00.**

(cc) Local strategic value, ~~$1,277,500.00.~~**$877,100.00.**

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

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

(b) State general fund/general purpose money, ~~$96,516,400.00.~~**$102,363,500.00.**

(4) From the appropriations described in subsection (1), there is appropriated for fiscal year ~~2012-2013~~ **2013-2014** an amount not to exceed $1,733,600.00 for payments to community colleges from the state school aid fund. A community college that receives money under this subsection shall use that money solely for the purpose of offsetting a portion of the retirement contributions owed by the college for the fiscal year ending September 30, ~~2013.~~ **2014.** ~~The amount allocated to each community college under this subsection is as follows:~~**THE AMOUNT ALLOCATED TO EACH PARTICIPATING COMMUNITY COLLEGE UNDER THIS SECTION SHALL BE BASED ON EACH PARTICIPATING COLLEGE'S TOTAL PAYROLL COVERED BY THE RETIREMENT SYSTEM-COVERED PAYROLL FOR ALL PARTICIPATING COLLEGES FOR THE IMMEDIATELY PRECEDING STATE FISCAL YEAR.**

~~(a) Alpena Community College, $30,400.00.~~

~~(b) Bay de Noc Community College, $30,800.00.~~

~~(c) Delta College, $81,400.00.~~

~~(d) Glen Oaks Community College, $14,200.00.~~

~~(e) Gogebic Community College, $25,300.00.~~

~~(f) Grand Rapids Community College, $101,700.00.~~

~~(g) Henry Ford Community College, $123,000.00.~~

~~(h) Jackson Community College, $68,500.00.~~

~~(i) Kalamazoo Valley Community College, $70,400.00.~~

~~(j) Kellogg Community College, $55,300.00.~~

~~(k) Kirtland Community College, $17,500.00.~~

~~(*l*) Lake Michigan College, $30,200.00.~~

~~(m) Lansing Community College, $175,000.00.~~

~~(n) Macomb Community College, $186,200.00.~~

~~(o) Mid Michigan Community College, $26,100.00~~

~~(p) Monroe County Community College, $25,000.00.~~

~~(q) Montcalm Community College, $18,000.00.~~

~~(r) C.S. Mott Community College, $88,700.00.~~

~~(s) Muskegon Community College, $50,400.00.~~

~~(t) North Central Michigan College, $17,600.00.~~

~~(u) Northwestern Michigan College, $51,500.00.~~

~~(v) Oakland Community College, $118,800.00.~~

~~(w) St. Clair County Community College, $39,900.00.~~

~~(x) Schoolcraft College, $70,100.00.~~

~~(y) Southwestern Michigan College, $37,500.00.~~

~~(z) Washtenaw Community College, $72,200.00.~~

~~(aa) Wayne County Community College, $94,200.00.~~

~~(bb) West Shore Community College, $13,700.00.~~

~~(5) Notwithstanding subsections (1) and (3) of this section as in effect for the fiscal year ending September 30, 2012, the amounts appropriated for community colleges under subsection (2) of this section for the fiscal year ending September 30, 2012 are appropriated from the following funds:~~

~~(a) State school aid fund, $259,629,400.00.~~

~~(b) State general fund/general purpose money, $24,251,100.00.~~

(5) FROM THE APPROPRIATIONS DESCRIBED IN SUBSECTION (1), THERE IS APPROPRIATED AN AMOUNT NOT TO EXCEED $31,400,000.00 FROM THE STATE GENERAL FUND FOR PAYMENTS TO COMMUNITY COLLEGES THAT ARE PARTICIPATING ENTITIES OF THE RETIREMENT SYSTEM. ALL OF THE FOLLOWING APPLY TO THE APPROPRIATIONS DESCRIBED IN THIS SUBSECTION:

(A) THE AMOUNT OF A PAYMENT UNDER THIS SUBSECTION 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 THIS SUBSECTION 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 SUBSECTION SHALL USE THE FUNDS SOLELY FOR THE PURPOSE OF RETIREMENT CONTRIBUTIONS UNDER SUBDIVISION (C).

(C) EACH PARTICIPATING COLLEGE RECEIVING FUNDS UNDER THIS

SUBSECTION 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.

(6) ALL OF THE FOLLOWING APPLY TO COMMUNITY COLLEGES DESCRIBED IN SECTION 12(3) OF THE MICHIGAN RENAISSANCE ZONE ACT, MCL 125.2692:

(A) FROM THE APPROPRIATIONS DESCRIBED IN SUBSECTION (1), THE FOLLOWING AMOUNT IS ALLOCATED FOR REIMBURSEMENT TO COMMUNITY COLLEGES UNDER SECTION 12(3) OF THE MICHIGAN RENAISSANCE ZONE ACT, MCL 125.2692:

(*i*) IF THE AMOUNT OF TAX REVENUE LOST BY COMMUNITY COLLEGES AS A RESULT OF THE EXEMPTION OF PROPERTY UNDER THE MICHIGAN RENAISSANCE ZONE ACT IN FISCAL YEAR 2012-2013 IS $3,500,000.00 OR MORE, $3,500,000.00 FROM THE STATE GENERAL FUND.

(*ii*) IF THE AMOUNT OF TAX REVENUE LOST BY COMMUNITY COLLEGES AS A RESULT OF THE EXEMPTION OF PROPERTY UNDER THE MICHIGAN RENAISSANCE ZONE ACT IN FISCAL YEAR 2012-2013 IS LESS THAN $3,500,000.00, THE ACTUAL AMOUNT OF TAX REVENUE LOST BY THE COMMUNITY COLLEGES.

(B) THE AMOUNT ALLOCATED TO EACH COMMUNITY COLLEGE UNDER THIS SUBSECTION SHALL BE BASED ON THAT COMMUNITY COLLEGE'S PROPORTION OF TOTAL REVENUE LOST BY COMMUNITY COLLEGES IN FISCAL YEAR 2012-2013 AS A RESULT OF THE EXEMPTION OF PROPERTY UNDER THE MICHIGAN RENAISSANCE ZONE ACT.

(C) THE APPROPRIATIONS DESCRIBED IN THIS SUBSECTION 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 2012-2013 UNDER SECTION 12 OF THE MICHIGAN RENAISSANCE ZONE ACT, MCL 125.2692.

(7) FROM THE APPROPRIATIONS DESCRIBED IN SUBSECTION (1), THERE IS APPROPRIATED $1,100,000.00 FROM THE STATE GENERAL FUND, FOR FISCAL YEAR 2013-2014 ONLY, TO THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION, FOR THE PURPOSE OF EXPANDING THE MICHIGAN COMMUNITY COLLEGE VIRTUAL LEARNING COLLABORATIVE. THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION SHALL PROVIDE INFORMATION ON REQUEST TO THE HOUSE AND SENATE SUBCOMMITTEES ON COMMUNITY COLLEGES, THE HOUSE AND SENATE FISCAL AGENCIES, AND THE STATE BUDGET DIRECTOR ON THE USE OF THESE FUNDS UNTIL THE PROJECT IS COMPLETED.

(8) AS USED IN THIS SECTION:

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

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

Sec. 201a. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, ~~2014~~

2015 for the items listed in section 201. The fiscal year ~~2013-2014~~ **2014-2015** appropriations are anticipated to be the same as those for fiscal year ~~2012-2013,~~ **2013-2014,** except that the amounts will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January ~~2013~~ **2014** consensus revenue estimating conference.

SEC. 201B. (1) IN ADDITION TO THE AMOUNTS APPROPRIATED UNDER SECTION 201, $12,500,000.00 IS APPROPRIATED FOR COMMUNITY COLLEGES FROM STATE GENERAL FUND/GENERAL PURPOSE MONEY FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2013, FOR PAYMENTS TO COMMUNITY COLLEGES THAT ARE PARTICIPATING COMMUNITY COLLEGES OF THE RETIREMENT SYSTEM. PAYMENTS MADE UNDER THIS SECTION SHALL BE EQUAL TO 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% INCLUDED IN SECTION 41 OF THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979, 1980 PA 300, MCL 38.1341.

(2) THE AMOUNT ALLOCATED TO EACH COMMUNITY COLLEGE UNDER THIS SECTION SHALL BE BASED ON EACH PARTICIPATING COMMUNITY COLLEGE'S TOTAL PAYROLL COVERED BY THE RETIREMENT SYSTEM IN PROPORTION TO THE TOTAL COVERED PAYROLL FOR THE IMMEDIATELY PRECEDING FISCAL YEAR FOR ALL PARTICIPATING COMMUNITY COLLEGES. A COMMUNITY COLLEGE THAT RECEIVES FUNDS UNDER THIS SECTION SHALL USE THE FUNDS SOLELY FOR THE PURPOSE OF RETIREMENT CONTRIBUTIONS AS SPECIFIED IN SUBSECTION (3).

(3) EACH COMMUNITY COLLEGE THAT RECEIVES FUNDS UNDER THIS

SECTION SHALL FORWARD AN AMOUNT EQUAL TO THE AMOUNT IT RECEIVES UNDER SUBSECTION (2) TO THE RETIREMENT SYSTEM IN THE FORM AND MANNER PRESCRIBED BY THE RETIREMENT SYSTEM.

(4) AS USED IN THIS SECTION:

(A) "PARTICIPATING COMMUNITY COLLEGE" MEANS A COMMUNITY COLLEGE THAT IS A REPORTING UNIT OF THE RETIREMENT SYSTEM AND THAT REPORTS EMPLOYEES TO THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM FOR THE APPLICABLE FISCAL YEAR.

(B) "RETIREMENT BOARD" MEANS THE BOARD THAT ADMINISTERS THE RETIREMENT SYSTEM.

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

Sec. 206. The funds appropriated in section 201 are appropriated for community colleges with fiscal years ending June 30, ~~2013~~ **2014** 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, ~~2012.~~ **2013.** Each community college shall accrue its July and August ~~2013~~ **2014** payments to its institutional fiscal year ending June 30, ~~2013.~~ **2014.** 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 ~~2011-2012~~ **2012-2013** to the workforce development agency by November 1, ~~2012,~~ **2013,** or failed to submit its longitudinal data system data set for school year ~~2011-2012~~ **2012-2013** 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. 208. A community college shall not use money appropriated in section 201 to pay for the construction or maintenance of a self-liquidating project. A community college shall comply **WITH SECTION 238 OF THE MANAGEMENT AND BUDGET ACT, 1984 PA 431, MCL 18.1238, AND** with the current use and finance requirements of the joint capital outlay subcommittee (JCOS) for any construction, renovation, or other capital outlay projects pursuant to JCOS policy. The appropriation in section 201 for a community college that fails to comply with JCOS requirements shall be reduced by 1% for each violation.

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 Manual for Michigan Community Colleges".

(C) GENERAL FUND REVENUE AND EXPENDITURE PROJECTIONS FOR FISCAL YEAR 2013-2014 AND FISCAL YEAR 2014-2015.

(D) A LISTING OF ALL DEBT SERVICE OBLIGATIONS, DETAILED BY PROJECT, ANTICIPATED FISCAL YEAR 2013-2014 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) ~~(*e*)~~ 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(3).

(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. ~~To be in~~

~~compliance with this section, all data elements defined in this section must be available on the college's homepage by December 31, 2012. Each community college shall notify the state budget office when all data elements defined in this section are made available on its website.~~

(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, ~~2012,~~ **2013,** and post that information on the internet website required under subsection (1):

(a) Budgeted fiscal year ~~2012-2013~~ **2013-2014** general fund revenue from tuition and fees.

(b) Budgeted fiscal year ~~2012-2013~~ **2013-2014** general fund revenue from state appropriations.

(c) Budgeted fiscal year ~~2012-2013~~ **2013-2014** general fund revenue from property taxes.

(d) Budgeted fiscal year ~~2012-2013~~ **2013-2014** total general fund revenue.

(e) Budgeted fiscal year ~~2012-2013~~ **2013-2014** total general

fund expenditures.

Sec. 210. (1) Recognizing the critical importance of education in strengthening Michigan's workforce, the legislature encourages each community college 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 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, THE MICHIGAN COMMUNITY COLLEGE ASSOCIATION, AND THE 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, 2014.

Sec. 224. ~~Upon request, a~~ **A** community college shall **USE THE P-20 LONGITUDINAL DATA SYSTEM TO** inform interested Michigan high schools of the aggregate academic status of its students for the 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 senate fiscal agencies, the state budget director, and the workforce development agency by August 31, ~~2012,~~ **2013,** 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 ~~2011-2012~~ **2013-2014** 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 ~~2011-2012~~ **2012-2013 OR 2013-2014** 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. 229. **(1)** It is the intent of the legislature that each

community college 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.

(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 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.

(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.

Sec. 229a. Included in the fiscal year ~~2012-2013~~ **2013-2014** 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.~~**$434,500.00.**

(b) Bay de Noc Community College, ~~$618,000.00.~~**$644,500.00.**

(c) Delta College, ~~$2,610,000.00.~~**$2,877,700.00.**

(d) Glen Oaks Community College, ~~$123,000.00.~~**$124,900.00.**

(e) Gogebic Community College, ~~$60,000.00.~~**$78,100.00.**

(f) Grand Rapids Community College, ~~$1,675,000.00.~~**$1,700,400.00.**

(g) Henry Ford Community College, ~~$1,110,000.00.~~**$1,126,800.00.**

(h) Jackson Community College, ~~$1,563,000.00.~~**$1,809,500.00.**

(i) Kalamazoo Valley Community College, ~~$1,467,000.00.~~**$1,489,300.00.**

(j) Kellogg Community College, ~~$520,000.00.~~**$527,900.00.**

(k) Kirtland Community College, ~~$363,300.00.~~**$368,800.00.**

(*l*) Lake Michigan College, ~~$340,000.00.~~**$345,200.00.**

(m) Lansing Community College, ~~$384,000.00.~~**$617,600.00.**

(n) Macomb Community College, ~~$1,313,100.00.~~**$1,332,900.00.**

(o) Mid Michigan Community College, ~~$915,000.00.~~**$928,900.00.**

(p) Monroe County Community College, ~~$1,355,000.00.~~**$1,375,600.00.**

(q) Montcalm Community College, ~~$756,000.00.~~**$1,015,700.00.**

(r) C.S. Mott Community College, ~~$1,803,000.00.~~**$1,830,400.00.**

(s) Muskegon Community College, ~~$198,000.00.~~**$201,000.00.**

(T) NORTH CENTRAL MICHIGAN COLLEGE, $476,300.00.

(U) ~~(t)~~ Northwestern Michigan College, ~~$1,305,000.00.~~**$1,324,800.00.**

(V) ~~(u)~~ Oakland Community College, ~~$465,000.00.~~**$472,100.00.**

(W) ~~(v)~~ St. Clair County Community College, ~~$356,100.00.~~**$361,400.00.**

(X) ~~(w)~~ Schoolcraft College, ~~$1,546,100.00.~~**$1,569,500.00.**

(Y) ~~(x)~~ Southwestern Michigan College, ~~$530,600.00.~~**$538,600.00.**

(Z) ~~(y)~~ Washtenaw Community College, ~~$1,993,000.00.~~**$2,023,100.00.**

(AA) ~~(z)~~ Wayne County Community College, ~~$1,890,000.00.~~**$1,918,700.00.**

(BB) ~~(aa)~~ West Shore Community College, ~~$577,000.00.~~**$585,800.00.**

SEC. 229B. (1) THE DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET, AFTER CONSULTATION WITH THE UNEMPLOYMENT INSURANCE AGENCY IN THE DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS, THE WORKFORCE DEVELOPMENT AGENCY, AND COMMUNITY COLLEGES, SHALL PREPARE A REPORT ON THE FEASIBILITY OF PROVIDING ACCURATE INFORMATION ON STUDENT EDUCATIONAL OUTCOMES IN THE EMPLOYMENT MARKET, INCLUDING ALL OF THE FOLLOWING INFORMATION:

(A) THE NUMBER OF STUDENTS WHO SUCCESSFULLY COMPLETED A SKILLED TRADES PROGRAM AND OBTAINED AN APPRENTICESHIP OR JOB IN A FIELD RELATED TO THAT SKILLED TRADES PROGRAM IN FISCAL YEAR 2012-2013.

(B) THE NUMBER OF STUDENTS DESCRIBED IN SUBDIVISION (A) WHO ARE VETERANS OF THE UNITED STATES ARMED FORCES.

(2) BY SEPTEMBER 1, 2014, THE DEPARTMENT SHALL SUBMIT THE REPORT DESCRIBED IN SUBSECTION (1) TO THE SENATE AND HOUSE APPROPRIATIONS SUBCOMMITTEES ON COMMUNITY COLLEGES AND THE SENATE AND HOUSE FISCAL AGENCIES.

(3) AS USED IN THIS SECTION, "SKILLED TRADES PROGRAM" MEANS AN

ACADEMIC PROGRAM CATEGORIZED IN THE UNITED STATES DEPARTMENT OF EDUCATION CLASSIFICATION OF INSTRUCTIONAL PROGRAM CODES AS 01, 46, 47, 48, OR 49.

Sec. 230. (1) It is the intent of the legislature that the recommendations and performance measures developed by the performance indicators task force formed under section 242 of 2005 PA 154 be reviewed and more fully implemented for distribution of state funding to community colleges in future years.

(2) Any additional funding provided to community college operations under section 201(2) in fiscal year ~~2012-2013~~ **2013-2014** that exceeds the amounts appropriated for operations in fiscal year ~~2011-2012 is allocated solely for the purpose of offsetting a portion of the retirement contributions owed by the college for the fiscal year ending September 30, 2013. The additional funding~~ **2012-2013** is distributed based on the following formula:

(a) Allocated proportionate to fiscal year ~~2011-2012~~ **2012-2013** 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,~~ **2013,** 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 shall be on a proportionate basis to each college's fiscal year ~~2011-2012~~ **2012-2013** 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.

(4) For purposes of subsection (3), 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, 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, GED preparation, GED 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.

Sec. 296. (1) If the maximum amount appropriated under this act from the state school aid fund for a fiscal year exceeds the amount necessary to fully fund allocations under this act from the state school aid fund, that excess amount shall not be expended in that state fiscal year and shall not lapse to the general fund, but ~~instead~~ shall **INSTEAD** be deposited into the school aid stabilization fund created in section 11a.

(2) If the total maximum amount appropriated under all

articles of this act from the state school aid fund and the school aid stabilization fund exceeds the amount available for expenditure from the state school aid fund for that fiscal year, payments under sections 11f, 11g, 11j, 22a, 26a, 26b, 31d, 31f, 51a(2), 51a(12), 51c, 53a, 56, and 152a shall be made in full. In addition, for districts beginning operations after 1994-95 that qualify for payments under section 22b, payments under section 22b shall be made so that the qualifying districts receive the lesser of an amount equal to the 1994-95 foundation allowance of the district in which the district beginning operations after 1994-95 is located or $5,500.00. The amount of the payment to be made under section 22b for these qualifying districts shall be as calculated under section 22a, with the balance of the payment under section 22b being subject to the proration otherwise provided under this subsection and subsection (3). If proration is necessary, state payments under each of the other sections of article I from all state funding sources, and state appropriations to community colleges and public universities under articles II and III from the state school aid fund, shall be prorated in the manner prescribed in subsection (3) as necessary to reflect the amount available for expenditure from the state school aid fund for the affected fiscal year. However, if the department of treasury determines that proration will be required under this subsection, or if the department of treasury determines that further proration is required under this subsection after an initial proration has already been made for a fiscal year, the department of treasury shall notify the state budget director, and the state budget director shall notify the legislature at least

30 calendar days or 6 legislative session days, whichever is more, before the department reduces any payments under this act because of the proration. During the 30-calendar-day or 6-legislative-session-day period after that notification by the state budget director, the department shall not reduce any payments under this act because of proration under this subsection. The legislature may prevent proration from occurring by, within the 30-calendar-day or 6-legislative-session-day period after that notification by the state budget director, enacting legislation appropriating additional funds from the general fund, countercyclical budget and economic stabilization fund, state school aid fund balance, or another source to fund the amount of the projected shortfall.

(3) If proration is necessary under subsection (2), the department shall calculate the proration in district and intermediate district payments under article I that is required under subsection (2), and the department of treasury shall calculate the proration in community college and public university payments under articles II and III that is required under subsection (2), as follows:

(a) The department and the department of treasury shall calculate the percentage of total state school aid fund money that is appropriated and allocated under this act for the affected fiscal year for each of the following:

(*i*) Districts.

(*ii*) Intermediate districts.

(*iii*) Entities receiving funding from the state school aid fund under article I other than districts or intermediate districts.

(*iv*) Community colleges and public universities that receive funding from the state school aid fund.

(b) The department shall recover a percentage of the proration amount required under subsection (2) that is equal to the percentage calculated under subdivision (a)(*i*) for districts by reducing payments to districts. This reduction shall be made by calculating an equal dollar amount per pupil as necessary to recover this percentage of the proration amount and reducing each district's total state school aid from state sources, other than payments under sections 11f, 11g, 11j, 22a, 26a, 26b, 31d, 31f, 51a(2), 51a(12), 51c, 53a, and 152a, by that amount.

(c) The department shall recover a percentage of the proration amount required under subsection (2) that is equal to the percentage calculated under subdivision (a)(*ii*) for intermediate districts by reducing payments to intermediate districts. This reduction shall be made by reducing the payments to each intermediate district, other than payments under sections 11f, 11g, 26a, 26b, 51a(2), 51a(12), 53a, 56, and 152a, on an equal percentage basis.

(d) The department shall recover a percentage of the proration amount required under subsection (2) that is equal to the percentage calculated under subdivision (a)(*iii*) for entities receiving funding from the state school aid fund under article I other than districts and intermediate districts by reducing payments to these entities. This reduction shall be made by reducing the payments to each of these entities, other than payments under sections 11j, 26a, and 26b, on an equal percentage

basis.

(e) The department of treasury shall recover a percentage of the proration amount required under subsection (2) that is equal to the percentage calculated under subdivision (a)(*iv*) for community colleges and public universities that receive funding from the state school aid fund by reducing that portion of the payments under articles II and III to these community colleges and public universities that is from the state school aid fund on an equal percentage basis.

Enacting section 1. (1) In accordance with section 30 of article I of the state constitution of 1963, total state spending on community colleges under article II as amended by 2012 PA 201 and this amendatory act from state sources for fiscal year 2012-2013 is estimated at $306,630,500.00 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 $306,630,500.00.

(2) 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 2013-2014 under article II is estimated at $335,977,600.00 and the amount of that state spending from state sources to be paid to local units of government for fiscal year 2013-2014 is estimated at $335,977,600.00.

Enacting section 2. Sections 201b, 210a, and 216 of the state school aid act of 1979, 1979 PA 94, MCL 388.1801b, 388.1810a, and 388.1816, are repealed effective October 1, 2013.

Enacting section 3. (1) Except as otherwise provided in subsection (2), this amendatory act takes effect October 1, 2013.

1 (2) Section 201b of the state school aid act of 1979, 1979 PA
2 94, MCL 388.1801b, as added by this amendatory act, takes effect
3 upon enactment of this amendatory act.