

**STATE OF MICHIGAN
100TH LEGISLATURE
REGULAR SESSION OF 2019**

Introduced by Senator LaSata

ENROLLED SENATE BILL No. 134

AN ACT 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, 206, 207a, 207b, 207c, 209, 209a, 210b, 210f, 217, 225, 229a, and 230 (MCL 388.1801, 388.1801a, 388.1806, 388.1807a, 388.1807b, 388.1807c, 388.1809, 388.1809a, 388.1810b, 388.1810f, 388.1817, 388.1825, 388.1829a, and 388.1830), sections 201, 201a, 206, 207a, 207b, 207c, 209, 210b, 217, 225, 229a, and 230 as amended and sections 209a and 210f as added by 2018 PA 265; and to repeal acts and parts of acts.

The People of the State of Michigan enact:

Sec. 201. (1) Subject to the conditions set forth in this article, the amounts listed in this section are appropriated for community colleges for the fiscal year ending September 30, 2020, from the funds indicated in this section. The following is a summary of the appropriations in this section:

(a) The gross appropriation is \$414,719,000.00. After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is \$414,719,000.00.

(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, \$414,719,000.00.

(v) State general fund/general purpose money, \$0.00.

(2) Subject to subsection (3), the amount appropriated for community college operations is \$325,473,400.00, allocated as follows:

(a) The appropriation for Alpena Community College is \$5,772,600.00, \$5,696,800.00 for operations, \$56,500.00 for performance funding, and \$19,300.00 for costs incurred under the North American Indian tuition waiver.

(b) The appropriation for Bay de Noc Community College is \$5,740,700.00, \$5,548,600.00 for operations, \$54,200.00 for performance funding, and \$137,900.00 for costs incurred under the North American Indian tuition waiver.

(c) The appropriation for Delta College is \$15,201,400.00, \$15,058,600.00 for operations, \$101,900.00 for performance funding, and \$40,900.00 for costs incurred under the North American Indian tuition waiver.

(d) The appropriation for Glen Oaks Community College is \$2,652,400.00, \$2,616,600.00 for operations, \$34,600.00 for performance funding, and \$1,200.00 for costs incurred under the North American Indian tuition waiver.

(e) The appropriation for Gogebic Community College is \$4,933,600.00, \$4,828,700.00 for operations, \$45,000.00 for performance funding, and \$59,900.00 for costs incurred under the North American Indian tuition waiver.

(f) The appropriation for Grand Rapids Community College is \$19,013,400.00, \$18,628,700.00 for operations, \$144,400.00 for performance funding, and \$240,300.00 for costs incurred under the North American Indian tuition waiver.

(g) The appropriation for Henry Ford College is \$22,574,700.00, \$22,382,000.00 for operations, \$151,100.00 for performance funding, and \$41,600.00 for costs incurred under the North American Indian tuition waiver.

(h) The appropriation for Jackson College is \$12,802,900.00, \$12,679,800.00 for operations, \$76,400.00 for performance funding, and \$46,700.00 for costs incurred under the North American Indian tuition waiver.

(i) The appropriation for Kalamazoo Valley Community College is \$13,155,900.00, \$13,009,500.00 for operations, \$90,400.00 for performance funding, and \$56,000.00 for costs incurred under the North American Indian tuition waiver.

(j) The appropriation for Kellogg Community College is \$10,346,500.00, \$10,199,600.00 for operations, \$67,500.00 for performance funding, and \$79,400.00 for costs incurred under the North American Indian tuition waiver.

(k) The appropriation for Kirtland Community College is \$3,393,000.00, \$3,311,600.00 for operations, \$46,800.00 for performance funding, and \$34,600.00 for costs incurred under the North American Indian tuition waiver.

(l) The appropriation for Lake Michigan College is \$5,714,000.00, \$5,663,300.00 for operations, \$39,400.00 for performance funding, and \$11,300.00 for costs incurred under the North American Indian tuition waiver.

(m) The appropriation for Lansing Community College is \$33,005,900.00, \$32,652,300.00 for operations, \$199,700.00 for performance funding, and \$153,900.00 for costs incurred under the North American Indian tuition waiver.

(n) The appropriation for Macomb Community College is \$34,312,100.00, \$34,043,100.00 for operations, \$233,000.00 for performance funding, and \$36,000.00 for costs incurred under the North American Indian tuition waiver.

(o) The appropriation for Mid Michigan Community College is \$5,324,500.00, \$5,100,400.00 for operations, \$84,000.00 for performance funding, and \$140,100.00 for costs incurred under the North American Indian tuition waiver.

(p) The appropriation for Monroe County Community College is \$4,747,100.00, \$4,706,500.00 for operations, \$39,700.00 for performance funding, and \$900.00 for costs incurred under the North American Indian tuition waiver.

(q) The appropriation for Montcalm Community College is \$3,576,300.00, \$3,541,400.00 for operations, \$29,200.00 for performance funding, and \$5,700.00 for costs incurred under the North American Indian tuition waiver.

(r) The appropriation for C.S. Mott Community College is \$16,453,400.00, \$16,325,800.00 for operations, \$114,200.00 for performance funding, and \$13,400.00 for costs incurred under the North American Indian tuition waiver.

(s) The appropriation for Muskegon Community College is \$9,366,400.00, \$9,230,500.00 for operations, \$58,600.00 for performance funding, and \$77,300.00 for costs incurred under the North American Indian tuition waiver.

(t) The appropriation for North Central Michigan College is \$3,567,200.00, \$3,358,100.00 for operations, \$31,200.00 for performance funding, and \$177,900.00 for costs incurred under the North American Indian tuition waiver.

(u) The appropriation for Northwestern Michigan College is \$9,813,800.00, \$9,503,400.00 for operations, \$63,700.00 for performance funding, and \$246,700.00 for costs incurred under the North American Indian tuition waiver.

(v) The appropriation for Oakland Community College is \$22,235,400.00, \$22,033,100.00 for operations, \$178,600.00 for performance funding, and \$23,700.00 for costs incurred under the North American Indian tuition waiver.

(w) The appropriation for Schoolcraft College is \$13,263,200.00, \$13,080,600.00 for operations, \$115,600.00 for performance funding, and \$67,000.00 for costs incurred under the North American Indian tuition waiver.

(x) The appropriation for Southwestern Michigan College is \$7,019,100.00, \$6,932,700.00 for operations, \$46,700.00 for performance funding, and \$39,700.00 for costs incurred under the North American Indian tuition waiver.

(y) The appropriation for St. Clair County Community College is \$7,393,700.00, \$7,329,600.00 for operations, \$55,600.00 for performance funding, and \$8,500.00 for costs incurred under the North American Indian tuition waiver.

(z) The appropriation for Washtenaw Community College is \$13,886,900.00, \$13,730,300.00 for operations, \$125,600.00 for performance funding, and \$31,000.00 for costs incurred under the North American Indian tuition waiver.

(aa) The appropriation for Wayne County Community College is \$17,601,900.00, \$17,459,700.00 for operations, \$133,700.00 for performance funding, and \$8,500.00 for costs incurred under the North American Indian tuition waiver.

(bb) The appropriation for West Shore Community College is \$2,605,400.00, \$2,566,100.00 for operations, \$19,500.00 for performance funding, and \$19,800.00 for costs incurred under the North American Indian tuition waiver.

(3) The amount appropriated in subsection (2) for community college operations is \$325,473,400.00 and is appropriated from the state school aid fund.

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

(a) Subject to section 207a, the amount appropriated for fiscal year 2019-2020 to offset certain fiscal year 2019-2020 retirement contributions is \$1,733,600.00, appropriated from the state school aid fund.

(b) For fiscal year 2019-2020, there is allocated an amount not to exceed \$12,212,000.00 for payments to participating community colleges, appropriated from the state school aid fund. A community college that receives money under this subdivision shall use that money solely for the purpose of offsetting the normal cost contribution rate.

(5) From the appropriations described in subsection (1), subject to section 207b, the amount appropriated for payments to community colleges that are participating entities of the retirement system is \$73,100,000.00, appropriated from the state school aid fund.

(6) From the appropriations described in subsection (1), subject to section 207c, the amount appropriated for renaissance zone tax reimbursements is \$2,200,000.00, appropriated from the state school aid fund.

Sec. 201a. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2021 for the items listed in section 201. The fiscal year 2020-2021 appropriations are anticipated to be the same as those for fiscal year 2019-2020, except that the amounts will be adjusted for changes in retirement costs, caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2020 consensus revenue estimating conference. For fiscal year 2020-2021, the amount appropriated for payment to the Michigan public school employee retirement system is projected to be \$98,506,600.00.

Sec. 206. (1) The funds appropriated in section 201 are appropriated for community colleges with fiscal years ending June 30, 2020 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, 2019. Each community college shall accrue its July and August 2020 payments to its institutional fiscal year ending June 30, 2020.

(2) If the state budget director determines that a community college failed to submit any of the information described in subdivisions (a) to (f) in the form and manner specified by the center, the state treasurer shall, subject to subdivision (g), withhold the monthly installments from that community college until those data are submitted:

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

(b) The college credit opportunity data set as specified in section 209.

(c) The longitudinal data set for the preceding academic year to the center as specified in section 219.

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

(e) Tuition and mandatory fees information for the current academic year as specified in section 225.

(f) The number and type of associate degrees and other certificates awarded during the previous academic year as specified in section 226.

(g) The state budget director shall notify the chairs of the house and senate appropriations subcommittees on community colleges at least 10 days before withholding funds from any community college.

Sec. 207a. All of the following apply to the allocation of the fiscal year 2019-2020 appropriations described in section 201(4):

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

(b) The amount allocated to each participating community college under section 201(4) shall be based on each college's percentage of the total covered payroll for all community colleges that are participating colleges in the immediately preceding fiscal year.

Sec. 207b. All of the following apply to the allocation of the fiscal year 2019-2020 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, as calculated without taking into account 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, and the maximum employer rate of 20.96% under section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341.

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

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

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

(a) The amount allocated to each community college under section 201(6) for fiscal year 2019-2020 shall be based on that community college's proportion of total revenue lost by community colleges as a result of the exemption of property taxes levied in 2019 under the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696.

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

Sec. 209. (1) Within 30 days after the board of a community college adopts its annual operating budget for the following 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 “Michigan Community College Data Inventory Report”.
 - (c) General fund revenue and expenditure projections for the current fiscal year and the next fiscal year.
 - (d) A listing of all debt service obligations, detailed by project, anticipated payment of each project, and total outstanding debt for the current fiscal year.
 - (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(2).
 - (f) A map that includes the boundaries of the community college district.
- (2) For statewide consistency and public visibility, community colleges must use the icon badge provided by the department of technology, management, and budget consistent with the icon badge developed by the department of education for K-12 school districts. It must appear on the front of each community college’s homepage. The size of the icon may be reduced to 150 x 150 pixels.
- (3) The state budget director shall determine whether a community college has complied with this section. The state budget director may withhold a community college’s monthly installments described in section 206 until the community college complies with this section. The state budget director shall notify the chairs of the house and senate appropriations subcommittee on community colleges at least 10 days before withholding funds from any community college.
- (4) Each community college shall report the following information to the senate and house appropriations subcommittees on community colleges, the senate and house fiscal agencies, and the state budget office by November 15 of each fiscal year and post that information on its website as required under subsection (1):
- (a) Budgeted current fiscal year general fund revenue from tuition and fees.
 - (b) Budgeted current fiscal year general fund revenue from state appropriations.
 - (c) Budgeted current fiscal year general fund revenue from property taxes.
 - (d) Budgeted current fiscal year total general fund revenue.
 - (e) Budgeted current fiscal year total general fund expenditures.
- (5) By the first business day of November of each year, a community college shall report the following information to the center and post the information on its website under the budget transparency icon badge:
- (a) Opportunities for earning college credit through the following programs:
 - (i) State approved career and technical education or a tech prep articulated program of study.
 - (ii) Direct college credit or concurrent enrollment.
 - (iii) Dual enrollment.
 - (iv) An early college/middle college program.
 - (b) For each program described in subdivision (a) that the community college offers, all of the following information:
 - (i) The number of high school students participating in the program.
 - (ii) The number of school districts that participate in the program with the community college.
 - (iii) Whether a college professor, qualified local school district employee, or other individual teaches the course or courses in the program.
 - (iv) The total cost to the community college to operate the program.
 - (v) The cost per credit hour for the course or courses in the program.
 - (vi) The location where the course or courses in the program are held.
 - (vii) Instructional resources offered to the program instructors.
 - (viii) Resources offered to the student in the program.
 - (ix) Transportation services provided to students in the program.

Sec. 209a. (1) A public community college shall develop, maintain, and update a “campus safety information and resources” link, prominently displayed on the homepage of its website, to a section of its website containing all of the information required under subsection (2).

(2) The “campus safety information and resources” section of a public community college’s website shall include, but not be limited to, all of the following information:

- (a) Emergency contact numbers for police, fire, health, and other services.
 - (b) Hours, locations, phone numbers, and electronic mail contacts for campus public safety offices and title IX offices.
 - (c) A list of safety and security services provided by the community college, including transportation, escort services, building surveillance, anonymous tip lines, and other available security services.
 - (d) A public community college’s policies applicable to minors on community college property.
 - (e) A directory of resources available at the community college or surrounding community for students or employees who are survivors of sexual assault or sexual abuse.
 - (f) An electronic copy of “A Resource Handbook for Campus Sexual Assault Survivors, Friends and Family”, published in 2018 by the office of the governor in conjunction with the first lady of Michigan.
 - (g) Campus security policies and crime statistics pursuant to the student right-to-know and campus security act, Public Law 101-542, 104 Stat 2381. Information shall include all material prepared pursuant to the public information reporting requirements under the crime awareness and campus security act of 1990, title II of the student right-to-know and campus security act, Public Law 101-542, 104 Stat 2381.
- (3) A community college shall certify to the state budget director by October 1, 2019 and the last business day of each August thereafter, that it is in compliance with this section. The state budget director may withhold a public community college’s monthly installments described in section 206 until the public community college complies with this section.

Sec. 210b. By March 1 of each year, the Michigan Community College Association and the Michigan Association of State Universities shall submit a report to the senate and house appropriations subcommittees on community colleges, the senate and house fiscal agencies, and the state budget director on the activities and programs of the transfer steering committee since March 1 of the previous year, including all of the following:

- (a) The alignment of learning outcomes in gateway mathematics courses in the quantitative reasoning, college algebra, and statistics pathways and the transferability of mathematics gateway courses between and among community colleges and universities.
- (b) The development of program-specific, statewide transfer pathways that meet program requirements for both associate and bachelor’s degree programs.
- (c) The development of an enhanced online communication tool to share information about postsecondary options in Michigan, course equivalencies, and transfer pathways that are clearly articulated.
- (d) The establishment of clear timelines for developing and implementing transfer pathways.
- (e) A progress report on the implementation of the Michigan transfer agreement.

Sec. 210f. By February 1, 2020 and February 1 of every even-numbered year thereafter, the Michigan Community College Association, the Michigan Association of State Universities, and the Michigan Independent Colleges and Universities, on behalf of their member colleges and universities, shall submit to the senate and house appropriations subcommittees on higher education, the senate and house appropriations subcommittees on community colleges, the senate and house fiscal agencies, and the state budget director a comprehensive report detailing the number of academic program partnerships between public community colleges, public universities, and private colleges and universities, including, but not limited to, the following information:

- (a) The names of the baccalaureate degree programs of study offered by public and private universities on community college campuses.
- (b) The names of the articulation agreements for baccalaureate degree programs of study between public community colleges, public universities, and private colleges and universities.
- (c) The number of students enrolled and number of degrees awarded through articulation agreements, and the number of courses offered, number of students enrolled, and number of degrees awarded through on-campus programs named in subdivision (a) from July 1, 2018 through June 30, 2019.

Sec. 217. (1) The center shall do all of the following:

- (a) Establish, maintain, and coordinate the state community college database commonly known as the “Michigan Community College Data Inventory”.

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

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

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

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

(f) Compile and publish electronically the demographic enrollment profile.

(g) Compile and publish the community college performance improvement and performance completion rate data to support the performance funding formula metrics specified in section 230(1)(c) and (e).

(2) There is created within the center the Michigan Community College Data Inventory advisory committee. The committee shall provide advice to the director of the center regarding the management of the state community college database, including, but not limited to:

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

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

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

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

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

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

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

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

(3) The Michigan Community College Data Inventory advisory committee created in subsection (2) shall consist of the following members:

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

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

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

(d) One representative from the center, appointed by the director of the center.

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

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

(g) Four representatives of the Michigan Community College Association, appointed by the president of the association, that represent a diverse mix of college sizes.

Sec. 225. Each community college shall report to the center by the last business day of August of each year 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 current academic year. This report should also include the annual cost of tuition and fees based on a full-time course load of 30 credits. This report must also specify the amount that tuition and fees have increased for each institution from the prior academic year. Each community college shall also report any revisions to the reported current academic year tuition and mandatory fees adopted by the college governing board to the center within 15 days of being adopted. The center shall provide this information and any revisions to the house and senate fiscal agencies and the state budget director.

Sec. 229a. Included in the fiscal year 2019-2020 appropriations for the department of technology, management, and budget are appropriations totaling \$34,181,600.00 to provide funding for the state share of costs for previously constructed capital projects for community colleges. Those appropriations for state building authority rent represent additional state general fund support for community colleges, and the following is an estimate of the amount of that support to each community college:

(a) Alpena Community College, \$702,500.00.

(b) Bay de Noc Community College, \$679,000.00.

- (c) Delta College, \$3,905,300.00.
- (d) Glen Oaks Community College, \$123,400.00.
- (e) Gogebic Community College, \$56,200.00.
- (f) Grand Rapids Community College, \$2,208,700.00.
- (g) Henry Ford College, \$1,031,000.00.
- (h) Jackson College, \$2,170,400.00.
- (i) Kalamazoo Valley Community College, \$1,947,700.00.
- (j) Kellogg Community College, \$715,300.00.
- (k) Kirtland Community College, \$639,100.00.
- (l) Lake Michigan College, \$532,300.00.
- (m) Lansing Community College, \$1,144,300.00.
- (n) Macomb Community College, \$1,653,900.00.
- (o) Mid Michigan Community College, \$1,619,700.00.
- (p) Monroe County Community College, \$1,604,900.00.
- (q) Montcalm Community College, \$973,900.00.
- (r) C.S. Mott Community College, \$1,808,300.00.
- (s) Muskegon Community College, \$1,076,800.00.
- (t) North Central Michigan College, \$490,900.00.
- (u) Northwestern Michigan College, \$1,471,300.00.
- (v) Oakland Community College, \$466,400.00.
- (w) Schoolcraft College, \$1,550,600.00.
- (x) Southwestern Michigan College, \$890,100.00.
- (y) St. Clair County Community College, \$799,300.00.
- (z) Washtenaw Community College, \$1,680,900.00.
- (aa) Wayne County Community College, \$1,466,300.00.
- (bb) West Shore Community College, \$773,100.00.

Sec. 230. (1) Money included in the appropriations for community college operations under section 201(2) in fiscal year 2019-2020 for performance funding is distributed based on the following formula:

- (a) Allocated proportionate to fiscal year 2018-2019 base appropriations, 30%.
- (b) Based on a weighted student contact hour formula as provided for in the 2016 recommendations of the performance indicators task force, 25%.
- (c) Based on the performance improvement as provided for in the 2016 recommendations of the performance indicators task force and based on data provided by the center, 10%.
- (d) Based on the performance completion number as provided for in the 2016 recommendations of the performance indicators task force, 10%.
- (e) Based on the performance completion rate as provided for in the 2016 recommendations of the performance indicators task force and based on data provided by the center, 10%.
- (f) Based on administrative costs, 5%.
- (g) Based on the local strategic value component, as developed in cooperation with the Michigan Community College Association and described in subsection (2), 5%.
- (h) Based on the 6 community colleges with the lowest taxable values in the 2017-2018 Michigan community college data inventory report, weighted by fiscal year equated students, 5%.

(2) Money included in the appropriations for community college operations under section 201(2) for local strategic value shall be allocated to each community college that certifies to the state budget director, through a board of trustees resolution on or before October 15, 2019, that the college has met 4 out of 5 best practices listed in each category described in subsection (3). The resolution shall provide specifics as to how the community college meets each best practice measure within each category. One-third of funding available under the strategic value component shall be allocated to each category described in subsection (3). Amounts distributed under local strategic value shall be on a proportionate basis to each college's fiscal year 2018-2019 operations funding. Payments to community colleges that qualify for local strategic value funding shall be distributed with the November installment payment described in section 206.

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

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

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

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

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

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

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

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

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

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

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

(iv) The community college provides, supports, or participates in programming to promote successful transitions to college for new or reentering adult students, such as adult basic education, a high school equivalency test preparation program and testing, or recruiting, advising, or orientation activities specific to adults. As used in this subparagraph, "high school equivalency test preparation program" means that term as defined in section 4.

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

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

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

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

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

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

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

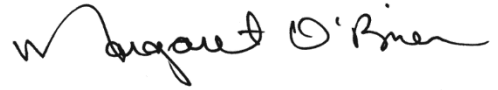
(4) Payments for performance funding under section 201(2) shall be made to a community college only if that community college actively participates in the Michigan Transfer Network sponsored by the Michigan Association of Collegiate Registrars and Admissions Officers and submits timely updates, including updated course equivalencies at least every 6 months, to the Michigan transfer network. The state budget director shall determine if a community college has not satisfied this requirement. The state budget director may withhold payments for performance funding until a community college is in compliance with this section.

Enacting section 1. Sections 218 and 227 of the state school aid act of 1979, 1979 PA 94, MCL 388.1818 and 388.1827, are repealed effective October 1, 2019.

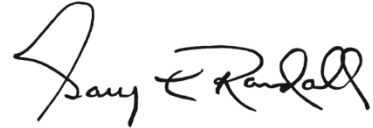
Enacting section 2. In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources for community colleges for fiscal year 2019-2020 under article II of the state school aid act of 1979, 1979 PA 94, MCL 388.1801 to 388.1830, is estimated at \$414,719,000.00 and the amount of that state spending from state sources to be paid to local units of government for fiscal year 2019-2020 is estimated at \$414,719,000.00.

Enacting section 3. This amendatory act takes effect October 1, 2019.

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved _____

Governor