

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

***** 388.1865a.amended THIS AMENDED SECTION IS EFFECTIVE OCTOBER 1, 2022 *****

388.1865a.amended Performance funding; payments; unpaid amounts; report; distribution formula; score; "Carnegie classification" defined; legislative intent.

Sec. 265a. (1) Appropriations to public universities in section 236 for fiscal years 2019-2020, 2020-2021, and 2021-2022 for performance funding must be paid only to a public university that complies with section 265 and certifies to the state budget director, the house and senate appropriations subcommittees on higher education, and the house and senate fiscal agencies by October 1, 2019 that it complies with all of the following requirements:

(a) The university participates in reverse transfer agreements described in section 286 with at least 3 Michigan community colleges.

(b) The university does not and will not apply any of the following criteria when determining whether credits earned outside the university by a student count toward a degree or certificate program offered by the university:

(i) Whether the credits were earned in a dual enrollment program that counted the credits toward high school graduation requirements.

(ii) Whether the credits were earned in a course that was delivered in a high school classroom, community college classroom or campus, or another location.

(iii) Whether the credits were earned in a course that was delivered online, in person, or hybrid.

(iv) Whether other students enrolled in the course in which the credits were earned were enrolled in high school or counted the course toward high school graduation requirements.

(c) The university actively participates in and submits timely updates to the Michigan Transfer Network created as part of the Michigan Association of Collegiate Registrars and Admissions Officers transfer agreement.

(2) Any performance funding amounts under section 236 that are not paid to a public university because it did not comply with 1 or more requirements under subsection (1) are unappropriated and reappropriated for performance funding to those public universities that meet the requirements under subsection (1), distributed in proportion to their performance funding appropriation amounts under section 236.

(3) The state budget director shall report to the house and senate appropriations subcommittees on higher education and the house and senate fiscal agencies by October 15, 2019, regarding any performance funding amounts that are not paid to a public university because it did not comply with 1 or more requirements under subsection (1) and any reappropriation of funds under subsection (2).

(4) Performance funding amounts described in section 236 are distributed based on the following formula:

(a) Proportional to each university's share of total operations funding appropriated in fiscal year 2010-2011, 50%.

(b) Based on weighted undergraduate completions in critical skills areas, 11.1%.

(c) Based on research and development expenditures, for universities classified in Carnegie classifications as doctoral universities: moderate research activity, doctoral universities: higher research activity, or doctoral universities: highest research activity only, 5.6%.

(d) Based on 6-year graduation rate, total degree completions, and institutional support as a percentage of core expenditures, and the percentage of students receiving Pell grants, scored against national Carnegie classification peers and weighted by total undergraduate fiscal year equated students, 33.3%.

(5) For purposes of determining the score of a university under subsection (4)(d), each university is assigned 1 of the following scores:

(a) A university classified as in the top 20%, a score of 3.

(b) A university classified as above national median, a score of 2.

(c) A university classified as improving, a score of 2. It is the intent of the legislature that, beginning in the 2020-2021 state fiscal year, a university classified as improving is assigned a score of 1.

(d) A university that is not included in subdivision (a), (b), or (c), a score of 0.

(6) As used in this section, "Carnegie classification" means the basic classification of the university according to the most recent version of the Carnegie classification of institutions of higher education, published by the Carnegie Foundation for the Advancement of Teaching.

(7) It is the intent of the legislature to allocate more funding based on an updated set of performance metrics in future years. Updated metrics will be based on the outcome of joint hearings between the house and senate appropriations subcommittees on higher education and community colleges intended to be held in the

fall of 2019.

History: Add. 2012, Act 201, Imd. Eff. June 26, 2012;—Am. 2013, Act 60, Imd. Eff. June 13, 2013;—Am. 2014, Act 196, Eff. Oct. 1, 2014;—Am. 2015, Act 85, Eff. Oct. 1, 2015;—Am. 2016, Act 249, Eff. Oct. 1, 2016;—Am. 2017, Act 108, Eff. Oct. 1, 2017;—Am. 2018, Act 265, Eff. Oct. 1, 2018;—Am. 2019, Act 62, Eff. Oct. 1, 2019;—Am. 2022, Act 144, Eff. Oct. 1, 2022.