

**SUBSTITUTE FOR  
HOUSE BILL NO. 5617**

A bill to amend 1979 PA 94, entitled  
"The state school aid act of 1979,"  
by amending sections 201, 201i, 202a, 203, 206, 207c, 210b, 216e,  
217a, 217b, 217f, 222, 223, 226e, 229a, and 230 (MCL 388.1801,  
388.1801i, 388.1802a, 388.1803, 388.1806, 388.1807c, 388.1810b,  
388.1816e, 388.1817a, 388.1817b, 388.1817f, 388.1822, 388.1823,  
388.1826e, 388.1829a, and 388.1830), sections 201, 206, 207c, 210b,  
216e, 217a, 217b, 222, 229a, and 230 as amended and sections 201i  
and 217f as added by 2025 PA 15, section 202a as amended by 2023 PA  
103, section 203 as amended by 2020 PA 165, section 223 as amended  
by 2024 PA 120, and section 226e as added by 2022 PA 144, and by  
adding section 216c; 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  
 2 article, the amounts listed in this section are appropriated for  
 3 community colleges for the fiscal year ending September 30, ~~2026,~~  
 4 **2027**, from the funds indicated in this section. The following is a  
 5 summary of the appropriations in this section: ~~and section 201f:~~

6           (a) The gross appropriation is ~~\$493,032,100.00.~~  
 7 **\$491,039,800.00.** After deducting total interdepartmental grants and  
 8 intradepartmental transfers in the amount of \$0.00, the adjusted  
 9 gross appropriation is ~~\$493,032,100.00.~~ **\$491,039,800.00.**

10           (b) The sources of the adjusted gross appropriation described  
 11 in subdivision (a) are as follows:

12           (i) Total federal revenues, \$0.00.

13           (ii) Total local revenues, \$0.00.

14           (iii) Total private revenues, \$0.00.

15           (iv) Total other state restricted revenues,  
 16 ~~\$493,032,100.00.~~ **\$491,039,800.00.**

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

18           (2) Subject to subsection (3), the amount appropriated for  
 19 community college operations is ~~\$363,570,600.00,~~ **\$378,500,800.00,**  
 20 allocated as follows:

21           (a) The appropriation for Alpena Community College is  
 22 ~~\$6,416,800.00,~~ **\$6,694,500.00,** \$6,403,300.00 for operations, ~~\$0.00~~  
 23 ~~for performance funding,~~ **\$263,100.00 for infrastructure,**  
 24 **technology, equipment, maintenance, and safety,** and ~~\$13,500.00~~  
 25 **\$28,100.00** for costs incurred under the North American Indian  
 26 tuition waiver.

27           (b) The appropriation for Bay de Noc Community College is  
 28 ~~\$6,390,000.00,~~ **\$6,672,300.00,** \$6,298,000.00 for operations, ~~\$0.00~~  
 29 ~~for performance funding,~~ **\$262,000.00 for infrastructure,**



1 **technology, equipment, maintenance, and safety**, and ~~\$92,000.00~~  
 2 **\$112,300.00** for costs incurred under the North American Indian  
 3 tuition waiver.

4 (c) The appropriation for Delta College is ~~\$16,934,200.00,~~  
 5 **\$17,622,700.00**, \$16,882,400.00 for operations, ~~\$0.00 for~~  
 6 ~~performance funding,~~ **\$694,300.00 for infrastructure, technology,**  
 7 **equipment, maintenance, and safety**, and ~~\$51,800.00~~ **\$46,000.00** for  
 8 costs incurred under the North American Indian tuition waiver.

9 (d) The appropriation for Glen Oaks Community College is  
 10 ~~\$2,987,000.00,~~ **\$3,107,000.00**, \$2,984,100.00 for operations, ~~\$0.00~~  
 11 ~~for performance funding,~~ **\$122,500.00 for infrastructure,**  
 12 **technology, equipment, maintenance, and safety**, and ~~\$2,900.00~~  
 13 **\$400.00** for costs incurred under the North American Indian tuition  
 14 waiver.

15 (e) The appropriation for Gogebic Community College is  
 16 ~~\$5,439,100.00,~~ **\$5,640,900.00**, \$5,399,000.00 for operations, ~~\$0.00~~  
 17 ~~for performance funding,~~ **\$223,000.00 for infrastructure,**  
 18 **technology, equipment, maintenance, and safety**, and ~~\$40,100.00~~  
 19 **\$18,900.00** for costs incurred under the North American Indian  
 20 tuition waiver.

21 (f) The appropriation for Grand Rapids Community College is  
 22 ~~\$21,337,300.00,~~ **\$22,262,000.00**, \$21,184,200.00 for operations,  
 23 ~~\$0.00 for performance funding,~~ **\$874,800.00 for infrastructure,**  
 24 **technology, equipment, maintenance, and safety**, and ~~\$153,100.00~~  
 25 **\$203,000.00** for costs incurred under the North American Indian  
 26 tuition waiver.

27 (g) The appropriation for Henry Ford College is  
 28 ~~\$25,305,200.00,~~ **\$26,345,600.00**, \$25,300,700.00 for operations,  
 29 ~~\$0.00 for performance funding,~~ **\$1,037,500.00 for infrastructure,**



1 **technology, equipment, maintenance, and safety**, and ~~\$4,500.00~~  
 2 **\$7,400.00** for costs incurred under the North American Indian  
 3 tuition waiver.

4 (h) The appropriation for Jackson College is ~~\$14,059,700.00,~~  
 5 **\$14,631,200.00**, \$14,032,600.00 for operations, ~~\$0.00 for~~  
 6 ~~performance funding,~~ **\$576,400.00 for infrastructure, technology,**  
 7 **equipment, maintenance, and safety**, and ~~\$27,100.00~~ **\$22,200.00** for  
 8 costs incurred under the North American Indian tuition waiver.

9 (i) The appropriation for Kalamazoo Valley Community College  
 10 is ~~\$14,751,300.00,~~ **\$15,349,400.00**, \$14,704,400.00 for operations,  
 11 ~~\$0.00 for performance funding,~~ **\$604,800.00 for infrastructure,**  
 12 **technology, equipment, maintenance, and safety**, and ~~\$46,900.00~~  
 13 **\$40,200.00** for costs incurred under the North American Indian  
 14 tuition waiver.

15 (j) The appropriation for Kellogg Community College is  
 16 ~~\$11,453,400.00,~~ **\$11,939,600.00**, \$11,426,700.00 for operations,  
 17 ~~\$0.00 for performance funding,~~ **\$469,600.00 for infrastructure,**  
 18 **technology, equipment, maintenance, and safety**, and ~~\$26,700.00~~  
 19 **\$43,300.00** for costs incurred under the North American Indian  
 20 tuition waiver.

21 (k) The appropriation for Kirtland Community College is  
 22 ~~\$3,881,400.00,~~ **\$4,040,500.00**, \$3,835,100.00 for operations, ~~\$0.00~~  
 23 ~~for performance funding,~~ **\$159,100.00 for infrastructure,**  
 24 **technology, equipment, maintenance, and safety**, and ~~\$46,300.00~~  
 25 **\$46,300.00** for costs incurred under the North American Indian  
 26 tuition waiver.

27 (l) The appropriation for Lake Michigan College is  
 28 ~~\$6,427,600.00,~~ **\$6,680,800.00**, \$6,408,200.00 for operations, ~~\$0.00~~  
 29 ~~for performance funding,~~ **\$263,500.00 for infrastructure,**



1 **technology, equipment, maintenance, and safety**, and ~~\$19,400.00~~  
 2 **\$9,100.00** for costs incurred under the North American Indian  
 3 tuition waiver.

4 (m) The appropriation for Lansing Community College is  
 5 ~~\$36,216,500.00, \$37,691,100.00~~, \$36,134,400.00 for operations,  
 6 ~~\$0.00 for performance funding, \$1,484,900.00 for infrastructure,~~  
 7 **technology, equipment, maintenance, and safety**, and ~~\$82,100.00~~  
 8 **\$71,800.00** for costs incurred under the North American Indian  
 9 tuition waiver.

10 (n) The appropriation for Macomb Community College is  
 11 ~~\$38,251,500.00, \$39,755,900.00~~, \$38,160,600.00 for operations,  
 12 ~~\$0.00 for performance funding, \$1,568,300.00 for infrastructure,~~  
 13 **technology, equipment, maintenance, and safety**, and ~~\$90,900.00~~  
 14 **\$27,000.00** for costs incurred under the North American Indian  
 15 tuition waiver.

16 (o) The appropriation for Mid Michigan Community College is  
 17 ~~\$5,919,500.00, \$6,164,100.00~~, \$5,837,000.00 for operations, ~~\$0.00~~  
 18 ~~for performance funding, \$242,700.00 for infrastructure,~~  
 19 **technology, equipment, maintenance, and safety**, and ~~\$82,500.00~~  
 20 **\$84,400.00** for costs incurred under the North American Indian  
 21 tuition waiver.

22 (p) The appropriation for Monroe County Community College is  
 23 ~~\$5,368,900.00, \$5,591,300.00~~, \$5,368,500.00 for operations, ~~\$0.00~~  
 24 ~~for performance funding, \$220,100.00 for infrastructure,~~  
 25 **technology, equipment, maintenance, and safety**, and ~~\$400.00~~  
 26 **\$2,700.00** for costs incurred under the North American Indian  
 27 tuition waiver.

28 (q) The appropriation for Montcalm Community College is  
 29 ~~\$4,035,000.00, \$4,208,200.00~~, \$4,033,300.00 for operations, ~~\$0.00~~



1 ~~for performance funding, \$165,400.00 for infrastructure,~~  
 2 ~~technology, equipment, maintenance, and safety,~~ and ~~\$1,700.00~~  
 3 ~~\$9,500.00~~ for costs incurred under the North American Indian  
 4 tuition waiver.

5 (r) The appropriation for C.S. Mott Community College is  
 6 ~~\$18,028,100.00, \$18,771,300.00,~~ \$18,017,800.00 for operations,  
 7 ~~\$0.00 for performance funding, \$739,200.00 for infrastructure,~~  
 8 ~~technology, equipment, maintenance, and safety,~~ and ~~\$10,300.00~~  
 9 ~~\$14,300.00~~ for costs incurred under the North American Indian  
 10 tuition waiver.

11 (s) The appropriation for Muskegon Community College is  
 12 ~~\$10,403,400.00, \$10,838,600.00,~~ \$10,359,900.00 for operations,  
 13 ~~\$0.00 for performance funding, \$426,500.00 for infrastructure,~~  
 14 ~~technology, equipment, maintenance, and safety,~~ and ~~\$43,500.00~~  
 15 ~~\$52,200.00~~ for costs incurred under the North American Indian  
 16 tuition waiver.

17 (t) The appropriation for North Central Michigan College is  
 18 ~~\$4,110,100.00, \$4,279,100.00,~~ \$3,947,700.00 for operations, ~~\$0.00~~  
 19 ~~for performance funding, \$168,500.00 for infrastructure,~~  
 20 ~~technology, equipment, maintenance, and safety,~~ and ~~\$162,400.00~~  
 21 ~~\$162,900.00~~ for costs incurred under the North American Indian  
 22 tuition waiver.

23 (u) The appropriation for Northwestern Michigan College is  
 24 ~~\$10,874,500.00, \$11,331,700.00,~~ \$10,619,800.00 for operations,  
 25 ~~\$0.00 for performance funding, \$445,900.00 for infrastructure,~~  
 26 ~~technology, equipment, maintenance, and safety,~~ and ~~\$254,700.00~~  
 27 ~~\$266,000.00~~ for costs incurred under the North American Indian  
 28 tuition waiver.

29 (v) The appropriation for Oakland Community College is



1 ~~\$25,168,400.00, \$26,198,800.00~~, \$25,130,000.00 for operations,  
 2 ~~\$0.00 for performance funding, \$1,031,900.00 for infrastructure,~~  
 3 **technology, equipment, maintenance, and safety**, and ~~\$38,400.00~~  
 4 **\$36,900.00** for costs incurred under the North American Indian  
 5 tuition waiver.

6 (w) The appropriation for Schoolcraft College is  
 7 ~~\$14,997,300.00, \$15,604,000.00~~, \$14,972,000.00 for operations,  
 8 ~~\$0.00 for performance funding, \$614,900.00 for infrastructure,~~  
 9 **technology, equipment, maintenance, and safety**, and ~~\$25,300.00~~  
 10 **\$17,100.00** for costs incurred under the North American Indian  
 11 tuition waiver.

12 (x) The appropriation for Southwestern Michigan College is  
 13 ~~\$7,805,700.00, \$8,123,100.00~~, \$7,786,600.00 for operations, ~~\$0.00~~  
 14 ~~for performance funding, \$320,000.00 for infrastructure,~~  
 15 **technology, equipment, maintenance, and safety**, and ~~\$19,100.00~~  
 16 **\$16,500.00** for costs incurred under the North American Indian  
 17 tuition waiver.

18 (y) The appropriation for St. Clair County Community College  
 19 is ~~\$8,355,300.00, \$8,693,900.00~~, \$8,342,000.00 for operations,  
 20 ~~\$0.00 for performance funding, \$342,600.00 for infrastructure,~~  
 21 **technology, equipment, maintenance, and safety**, and ~~\$13,300.00~~  
 22 **\$9,300.00** for costs incurred under the North American Indian  
 23 tuition waiver.

24 (z) The appropriation for Washtenaw Community College is  
 25 ~~\$16,276,300.00, \$16,957,000.00~~, \$16,257,300.00 for operations,  
 26 ~~\$0.00 for performance funding, \$667,300.00 for infrastructure,~~  
 27 **technology, equipment, maintenance, and safety**, and ~~\$19,000.00~~  
 28 **\$32,400.00** for costs incurred under the North American Indian  
 29 tuition waiver.



1 (aa) The appropriation for Wayne County Community College is  
 2 ~~\$19,462,800.00~~, **\$20,262,000.00**, \$19,460,300.00 for operations,  
 3 ~~\$0.00 for performance funding~~, **\$798,000.00 for infrastructure,**  
 4 **technology, equipment, maintenance, and safety,** and ~~\$2,500.00~~  
 5 **\$3,700.00** for costs incurred under the North American Indian  
 6 tuition waiver.

7 (bb) The appropriation for West Shore Community College is  
 8 ~~\$2,914,300.00~~, **\$3,044,200.00**, \$2,896,700.00 for operations, ~~\$0.00~~  
 9 ~~for performance funding~~, **\$119,500.00 for infrastructure,**  
 10 **technology, equipment, maintenance, and safety,** and ~~\$17,600.00~~  
 11 **\$28,000.00** for costs incurred under the North American Indian  
 12 tuition waiver.

13 (3) The amount appropriated in subsection (2) for community  
 14 college operations is ~~\$363,570,600.00~~ **\$378,500,800.00** and is  
 15 appropriated from the state school aid fund.

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

18 (a) Subject to section 207a, the amount appropriated for  
 19 fiscal year ~~2025-2026~~ **2026-2027** to offset certain fiscal year ~~2025-~~  
 20 ~~2026~~ **2026-2027** retirement contributions is \$7,189,000.00,  
 21 appropriated from the state school aid fund.

22 (b) For fiscal year ~~2025-2026~~, **2026-2027**, there is allocated  
 23 an amount not to exceed ~~\$19,600,000.00~~ **\$18,350,000.00** for payments  
 24 to participating community colleges, appropriated from the state  
 25 school aid fund. A community college that receives money under this  
 26 subdivision shall use that money solely for the purpose of  
 27 offsetting the normal cost contribution rate.

28 (5) From the appropriations described in subsection (1),  
 29 subject to section 207b, the amount appropriated for payments to



1 community colleges that are participating entities of the  
 2 retirement system is ~~\$89,500,000.00~~, **\$84,800,000.00** appropriated  
 3 from the state school aid fund.

4 (6) From the appropriations described in subsection (1),  
 5 subject to section 207c, the amount appropriated for renaissance  
 6 zone tax reimbursements is \$2,200,000.00, appropriated from the  
 7 state school aid fund. Each community college receiving funds in  
 8 this subsection shall accrue these payments to its institutional  
 9 fiscal year ending June 30, ~~2026~~.**2027**.

10 Sec. 201i. ~~(1) Not later than 30 days after the enactment of~~  
 11 ~~the amendatory act that added this section, the legislature shall~~  
 12 ~~provide to the responsible entity and the state budget director a~~  
 13 ~~list of legislatively directed spending items, which may be~~  
 14 ~~referred to in this section as grants or direct appropriation~~  
 15 ~~grants, funded under the amendatory act that added this section~~  
 16 ~~consistent with house or senate rules and this section. The list~~  
 17 ~~must include all information and documents pertaining to the funded~~  
 18 ~~items as publicly disclosed in accordance with house or senate~~  
 19 ~~rules and this section.~~

20 ~~(2) Notwithstanding any other conditions or requirements for~~  
 21 ~~direct appropriation grants, the responsible entity shall perform,~~  
 22 ~~at a minimum, at least all of the following activities to~~  
 23 ~~administer the grants described in subsection (1):~~

24 ~~(a) Establish a process to review, complete, and execute a~~  
 25 ~~grant agreement with a grant recipient. The responsible entity~~  
 26 ~~shall not execute a grant agreement unless all necessary~~  
 27 ~~documentation has been submitted and reviewed.~~

28 ~~(b) Verify to the extent possible that a grant recipient is a~~  
 29 ~~not for profit entity and will use funds as publicly disclosed and~~



1 ~~for a public purpose that serves the economic prosperity, health,~~  
 2 ~~safety, or general welfare of the residents of this state.~~

3 ~~(c) Review and verify all necessary information to ensure the~~  
 4 ~~grant recipient is reasonably able to execute the grant agreement,~~  
 5 ~~perform its fiduciary duty, and comply with all applicable state~~  
 6 ~~and federal statutes. The responsible entity may deduct the cost of~~  
 7 ~~background checks and any other efforts performed as part of this~~  
 8 ~~verification from the amount of the designated grant award.~~

9 ~~(d) Disburse the grant money per the grant disbursement~~  
 10 ~~schedule in the executed grant agreement on a reimbursement basis~~  
 11 ~~after the grantee has provided sufficient documentation, as~~  
 12 ~~determined by the responsible entity, to verify that expenditures~~  
 13 ~~were made in accordance with the project purpose.~~

14 ~~(e) If the state budget director determines that information~~  
 15 ~~provided by the grantee does not meet the disclosure requirements,~~  
 16 ~~that the grant will be used to pay a tax lien, delinquent tax, or~~  
 17 ~~other obligation owed to this state, or that the grant will create~~  
 18 ~~a conflict of interest, the responsible entity shall not release~~  
 19 ~~the grant money to the grantee. Money that is not released under~~  
 20 ~~this subdivision lapses at the end of the fiscal year. There is not~~  
 21 ~~a conflict of interest if the sponsoring legislator certifies that~~  
 22 ~~the sponsoring legislator's immediate family members, legislative~~  
 23 ~~staff members that have worked for the sponsoring legislator within~~  
 24 ~~the past 2 years, and the sponsoring legislator do not have a~~  
 25 ~~direct or indirect pecuniary interest in the legislatively directed~~  
 26 ~~spending item.~~

27 ~~(3) An executed grant agreement under this section between the~~  
 28 ~~responsible entity and a grant recipient must include at least all~~  
 29 ~~of the following:~~



1       ~~(a) All necessary identifying information for the grant~~  
2 ~~recipient, including any tax and financial information necessary~~  
3 ~~for the responsible entity to administer grant money under this~~  
4 ~~section.~~

5       ~~(b) A description of the project for which the grant money~~  
6 ~~will be expended, including tentative timelines and the estimated~~  
7 ~~budget. Project budget must include how all grant money will be~~  
8 ~~used and must indicate if any grant money will be provided to a~~  
9 ~~third party or subrecipient. The responsible entity shall not~~  
10 ~~reimburse expenditures that are outside of the project purpose, as~~  
11 ~~stated in the executed grant agreement, from appropriations under~~  
12 ~~the amendatory act that added this section. The grantee shall~~  
13 ~~return to the state treasury any interest in excess of \$1,000.00~~  
14 ~~earned on the grant money while unexpended and in possession of the~~  
15 ~~grantee.~~

16       ~~(c) Unless otherwise specified in the responsible entity's~~  
17 ~~policy, a requirement that funds appropriated for the grants~~  
18 ~~described in subsection (1) may be used only for expenditures that~~  
19 ~~occur on or after the effective date of the amendatory act that~~  
20 ~~added this section.~~

21       ~~(d) A requirement for reporting by the grant recipient to the~~  
22 ~~responsible entity and the legislative sponsor that provides the~~  
23 ~~status of the project and an accounting of all money expended by~~  
24 ~~the grant recipient, as determined by the responsible entity.~~

25       ~~(e) A clawback provision that allows the department of~~  
26 ~~treasury to recoup or otherwise collect any grant money that is~~  
27 ~~declined, unspent, or otherwise misused.~~

28       ~~(f) The documents publicly disclosed under subsection (1).~~

29       ~~(4) If appropriate to improve the administration or oversight~~

~~1 of a grant described in subsection (1), the responsible entity may  
2 adopt a memorandum of understanding with another state department  
3 to perform the required duties under this section.~~

~~4 (5) A grant recipient shall respond to all reasonable  
5 information requests from the responsible entity related to grant  
6 expenditures and retain grant records for not less than 7 years,  
7 and the grant may be subject to monitoring, site visits, and audit  
8 as determined by the responsible entity. The grant agreement  
9 required under this section must include signed assurance by the  
10 chief executive officer or other executive officer of the grant  
11 recipient authorized to bind the grant recipient that the  
12 requirements of this subsection will be met.~~

~~13 (6) The grant recipient shall expend all grant money awarded  
14 and complete all projects not later than September 30, 2030. If at  
15 that time any unexpended money remains, the grant recipient shall  
16 return that money to the state treasury. If a grant recipient does  
17 not provide information sufficient to execute a grant agreement not  
18 later than June 1, 2026, the responsible entity shall return money  
19 associated with the grant to the state treasury.~~

~~20 (7) Any grant money that is awarded to a responsible entity is  
21 appropriated in that responsible entity for the purpose of the  
22 intended grant.~~

~~23 (8) Except as otherwise provided in subsection (9), beginning  
24 March 15 of the current fiscal year, the responsible entity shall  
25 post a report in a publicly accessible location on its website. The  
26 report must list the grant recipient, project purpose, and location  
27 of the project for each grant described in subsection (1), the  
28 status of money allocated and disbursed under the grant agreement,  
29 and the legislative sponsor, if applicable. The responsible entity~~



~~1 shall update the report and post the updated report in a publicly  
2 accessible location on its website not later than June 15 of the  
3 current fiscal year and again not later than September 15 of the  
4 current fiscal year. The responsible entity shall include in the  
5 report the most comprehensive information the responsible entity  
6 has available at the time of posting for grants awarded.~~

~~7 (9) If the state budget office determines that it is more  
8 efficient for the state budget office to compile all affected  
9 responsible entities' information and post a report of the compiled  
10 information rather than the report required under subsection (8)  
11 being posted by individual responsible entities, the state budget  
12 office may compile that information across all affected responsible  
13 entities and other state departments and post the compiled report  
14 and any updates on the same time schedule as identified in  
15 subsection (8).~~

~~16 (10) If the responsible entity reasonably determines that the  
17 money allocated for an executed grant agreement under this section  
18 was misused or that use of the money was misrepresented by the  
19 grant recipient, the responsible entity shall not award any  
20 additional funds under the executed grant agreement and shall refer  
21 the grant for review following internal audit protocols, which may  
22 include referral for criminal investigation.~~

~~23 (11) As used in this section, "responsible entity" means the  
24 department of lifelong education, advancement, and potential, a  
25 community college, or other person that administers a grant under  
26 this article.~~

**(1) Within 30 days of enactment of this act, the state budget  
28 office shall post a list of legislatively directed spending items  
29 funded in section 201 as defined in sections 364 and 364a of the**



1 management and budget act, 1984 PA 431, MCL 18.1364 and 18.1364a.  
2 The list must include all information and documents pertaining to  
3 the funded items as publicly disclosed in accordance with sections  
4 364 and 364a of the management and budget act, 1984 PA 431, MCL  
5 18.1364 and 18.1364a.

6 (2) In accordance with section 364(4) of the management and  
7 budget act, 1984 PA 431, MCL 18.1364(4), the department or agency  
8 administering a grant described in subsection (1) shall submit a  
9 report not later than November 1 of each year. The department or  
10 entity shall submit updated reports not later than March 15 and  
11 September 15 of the current fiscal year. The department or entity  
12 shall include in the report the most comprehensive information the  
13 department or agency has available at the time of submittal for  
14 grants awarded, including, but not limited to, project milestones,  
15 percent completed, funding expended, and funding encumbered.

16 (3) Before the department or agency executes a grant agreement  
17 for a grant described in subsection (1), all grant recipients shall  
18 provide a spending plan that specifies all of the following:

19 (a) The scope of service.

20 (b) The program goals.

21 (c) The measurement for meeting program goals.

22 (d) How all grant funds will be used.

23 (e) Whether any grant funds will be provided to a third party  
24 or subrecipient.

25 (4) The department or agency responsible for awarding or  
26 disbursing grant funds shall annually audit the grant recipient's  
27 use of the grant funds for each fiscal year the grant is active.  
28 Each grant recipient shall submit information requested by the  
29 department or agency to confirm compliance with this section.



1 (5) Each department or agency that administers a grant  
2 described in subsection (1) shall work with the office of the  
3 auditor general to conduct an audit of the grant according to  
4 generally accepted accounting practices and audit standards. Each  
5 department or agency shall provide the office of the auditor  
6 general access to all internal and external records. All contracts  
7 or agreements between a department or agency and a grant recipient  
8 or between a grant recipient and a third party or subrecipient must  
9 include a clause granting the office of the auditor general access  
10 to all internal and external records.

11 (6) Grant recipients and grant recipients' immediate family  
12 members are prohibited from being employed by the executive branch  
13 or legislative branch of this state. In addition, grant recipients  
14 are prohibited from serving on any state board that has direct or  
15 indirect responsibility for approving or auditing the grant funds  
16 described in subsection (1) awarded or disbursed by any department  
17 or agency.

18 (7) Full and complete audits of the grant funds described in  
19 subsection (1) issued by a department or agency, without redaction  
20 unless otherwise required by law, must be posted to the  
21 department's or agency's website in a conspicuous place for public  
22 review.

23 (8) On a quarterly basis, the department or agency shall  
24 submit a report on legislatively sponsored grant funds that  
25 includes, but is not limited to, all of the following:

26 (a) The name of each grant recipient and the status of each  
27 grant.

28 (b) The amount of funds distributed to each grant recipient.

29 (c) Any changes to the scope or costs of the program.



1           **(9) The report described in subsection (8) must include both**  
 2 **of the following statements made by the department or agency that**  
 3 **administers a grant described in subsection (1):**

4           **(a) A statement that confirms that the department or agency**  
 5 **reviewed and affirmed compliance by each grant recipient to program**  
 6 **scope and expenditure of grant funding.**

7           **(b) A statement that confirms that the department or agency**  
 8 **reviewed applicable program reports and requests for reimbursement.**

9           **(10) As used in this section, "department" means the**  
 10 **department of lifelong education, advancement, and potential.**

11           Sec. 202a. As used in this article:

12           **(a) "Center" means the center for educational performance and**  
 13 **information created in section 94a.**

14           **(b) "College level equivalent credit examination" means an**  
 15 **examination that is administered by an independent testing service**  
 16 **and that is used by colleges and universities generally to award**  
 17 **postsecondary credit for achievement of a particular score, and**  
 18 **includes, but is not limited to, advanced placement examinations,**  
 19 **the DANTES Subject Standardized Test (DSST), and college-level**  
 20 **examination program (CLEP) examinations.**

21           **(c) "Participating college" means a community college that is**  
 22 **a reporting unit of the retirement system and that reports**  
 23 **employees to the retirement system for the state fiscal year.**

24           **(d) "Retirement system" means the Michigan public school**  
 25 **employees' retirement system under the public school employees**  
 26 **retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.**

27           **(e) "Standard report recipients" means the senate and house**  
 28 **appropriations committees, the senate and house appropriations**  
 29 **subcommittees on community colleges, the senate and house fiscal**



1 **agencies, the senate and house policy offices, and the state budget**  
 2 **office.**

3       Sec. 203. **(1)** Unless otherwise specified, a community college  
 4 that receives appropriations in section 201 and the center shall  
 5 use the internet to fulfill the reporting requirements of this  
 6 article. This requirement includes transmission of reports via  
 7 electronic mail to the recipients identified for each reporting  
 8 requirement and placement of ~~reports~~**each required report in a**  
 9 **single archivable location** on an internet site, **not later than the**  
 10 **due date required for each report.**

11       **(2)** In addition to placing all required reports in the current  
 12 **fiscal year on the community college's website, a community college**  
 13 **shall maintain on its website all reports placed on the website**  
 14 **from previous fiscal years, posted by fiscal year in the same**  
 15 **single archivable location.**

16       Sec. 206. (1) Except for the funds appropriated in section  
 17 201(4)(b), the funds appropriated in section 201 are appropriated  
 18 for community colleges with fiscal years ending June 30, ~~2026~~**2027**  
 19 and must be paid out of the state treasury and distributed by the  
 20 state treasurer to the respective community colleges in 11 monthly  
 21 installments on the sixteenth of each month, or the next succeeding  
 22 business day, beginning with October 16, ~~2025~~**2026**. Each community  
 23 college shall accrue its July and August ~~2026~~**2027** payments to its  
 24 institutional fiscal year ending June 30, ~~2026~~**2027**.

25       (2) The funds appropriated in section 201(4)(b) are  
 26 appropriated for community colleges with fiscal years ending June  
 27 30, ~~2026~~**2027** and must be distributed to the respective community  
 28 colleges in quarterly installments on the sixteenth of each  
 29 November, February, May, and August. Each community college shall



1 accrue its August ~~2026~~**2027** payments to its institutional fiscal  
2 year ending June 30, ~~2026~~**2027**.

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

7 (a) The amount allocated to each community college under  
8 section 201(6) for fiscal year ~~2025-2026~~**2026-2027** must be based on  
9 that community college's proportion of total revenue lost by  
10 community colleges as a result of the exemption of property taxes  
11 levied in ~~2025-2026~~ under the Michigan renaissance zone act, 1996  
12 PA 376, MCL 125.2681 to 125.2696.

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

19 Sec. 210b. By March 1 of each year, the Michigan Community  
20 College Association and the Michigan Association of State  
21 Universities shall submit a report to the ~~senate and house~~  
22 ~~appropriations subcommittees on community colleges, the senate and~~  
23 ~~house fiscal agencies,~~ **standard report recipients and** the  
24 department of lifelong education, advancement, and potential, ~~and~~  
25 ~~the state budget director~~ on the activities and programs focused on  
26 improving transfer student outcomes since March 1 of the previous  
27 year, including all of the following:

28 (a) The direct transferability of mathematics gateway courses  
29 between and among community colleges and universities.



1 (b) The implementation of MiTransfer pathways.

2 (c) The progress on increasing participation in MiTransfer  
3 pathways among community colleges and public universities.

4 (d) The implementation of the Michigan Transfer Network at  
5 mitransfer.org.

6 (e) A progress report on the implementation of the Michigan  
7 transfer agreement.

8 **Sec. 216c. Funds appropriated in section 201 for**  
9 **infrastructure, technology, equipment, maintenance, and safety are**  
10 **intended to be used for necessary improvements and deferred**  
11 **maintenance of community college buildings, facilities, and other**  
12 **physical infrastructure; necessary improvements and deferred**  
13 **maintenance of information technology, other technology**  
14 **infrastructure, and other equipment; and other purposes related to**  
15 **infrastructure, technology, equipment, and maintenance. A community**  
16 **college may also use these funds to upgrade safety and security**  
17 **infrastructure. These funds are not intended to be used for any**  
18 **other purpose than what is specified in this section.**

19 Sec. 216e. (1) Payments under section 201 for performance  
20 funding must be made only to a community college that certifies to  
21 the state budget director by the last business day of August each  
22 year that it complies with the following:

23 (a) The institutional best practice described in subdivision  
24 (c).

25 (b) One or more of the institutional best practices described  
26 in subdivisions (d) to ~~(g)~~ **(h)**.

27 (c) The community college accepts the Michigan Transfer  
28 Agreement, partners with the Michigan Transfer Network, and  
29 promotes clear transfer pathways for interested students by doing



1 all of the following:

2 (i) Has a policy to help transfer or accept associate degrees  
3 from other accredited Michigan postsecondary education  
4 institutions.

5 (ii) Publishes the policy described in subparagraph (i) on the  
6 institution's website in an easily accessible way and in admissions  
7 materials.

8 (iii) Provides publicly available information on the Michigan  
9 Transfer Network, applicable transfer pathways, and financial aid  
10 available to transfer students, at no cost to the student.

11 (iv) Begins negotiations to increase the number of reverse  
12 transfer agreements or articulation agreements and reports on the  
13 progress toward completing the agreements to the state budget  
14 director by the last business day in February.

15 (d) The community college requires all students to receive an  
16 academic degree or certificate map that outlines required course  
17 sequencing, program and institution requirements, declared minor  
18 program academic requirements, and a recommended timeline within  
19 which courses should be taken and in which specific semester or  
20 term in order to satisfy all program requirements to allow the  
21 student to graduate on time.

22 (e) The community college provides non-credit-bearing  
23 developmental or remedial courses at a reduced cost to students.

24 (f) The community college provides each degree- or  
25 certificate-seeking student with a designated, trained academic  
26 advisor to support student retention, persistence, and completion.  
27 The community college shall require students to meet with their  
28 academic advisor at least once per semester or term.

29 (g) The community college provides employees during business



1 hours to assist prospective and current students in completing the  
2 Free Application for Federal Student Aid.

3 **(h) The community college posts the costs of degree**  
4 **attainment, separated by degree level, and the earnings associated**  
5 **with degree attainment, separated by degree level.**

6 (2) The state budget director shall implement uniform  
7 reporting requirements to ensure that a community college receiving  
8 a payment under section 201 for performance funding has satisfied  
9 the institutional best practices requirements of this section. The  
10 state budget director has the sole authority to determine if a  
11 community college has met the requirements of this section.  
12 Information reported by a community college to the state budget  
13 director under this subsection must also be reported to the ~~house~~  
14 ~~and senate appropriations subcommittees on higher education and the~~  
15 ~~house and senate fiscal agencies.~~ **standard report recipients.**

16 (3) If a community college fails to comply with the  
17 certification requirements of this section, the state treasurer may  
18 withhold the monthly installments under section 206 to the  
19 community college until the certification is completed. If a  
20 community college does not comply with the certification  
21 requirements described in this section by the end of the fiscal  
22 year, the community college forfeits the amount withheld. Forfeited  
23 funds must lapse to the state school aid fund. The state budget  
24 director shall notify the ~~chairs of the house and senate~~  
25 ~~appropriations subcommittees on higher education~~ **standard report**  
26 **recipients** at least 10 days before withholding funds from any  
27 community college.

28 Sec. 217a. (1) Each community college that receives an  
29 appropriation in section 201 shall submit all of the following



1 information in the form and manner specified by the center:

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

5 (b) Tuition and mandatory fees information as specified in  
6 section 217b.

7 (c) The longitudinal data set to the center as specified in  
8 section 219.

9 (d) The number and type of associate degrees, baccalaureate  
10 degrees, and other certificates awarded as specified in section  
11 219.

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

13 (2) If the state budget director determines that a community  
14 college failed to submit any of the information described in  
15 subsection (1) in the form and manner specified by the center, the  
16 state ~~treasurer~~**budget director** may withhold the monthly state  
17 operations installments described in section 201 from that  
18 community college until those data are submitted. If a community  
19 college does not submit any of the information described in  
20 subsection (1) by the end of the fiscal year, the community college  
21 forfeits any withheld amount. The state budget director shall  
22 notify the chairs of the house and senate appropriations  
23 subcommittees on community colleges at least 10 days before  
24 withholding funds from any community college.

25 (3) It is intended that accountability reporting for community  
26 colleges will be streamlined through the center. The state budget  
27 director and the center shall work to combine the reporting  
28 requirements outlined in this subsection with the existing Michigan  
29 community colleges verified data inventory collection cycle. All of



1 the following must be reported to the ~~house and senate fiscal~~  
 2 ~~agencies and the state budget director:~~ **standard report recipients:**

3 (a) Each community college's certification of its compliance  
 4 with the requirements described in subsections (4) and (5).

5 (b) The reporting and certification requirements of  
 6 subsections (6) and (7) and section 217b.

7 (4) No later than the ~~last~~**first** business day of November of  
 8 each year, each community college that receives an appropriation in  
 9 section 201 shall make all of the information described in  
 10 subdivisions (a) to (g) available through a link on its website  
 11 homepage **and send the link to the standard report recipients,**  
 12 **subject to subdivision (h), as follows and shall archive the**  
 13 **previous versions from prior fiscal years:**

14 (a) The annual operating budget and subsequent budget  
 15 revisions.

16 (b) A link to the most recent "Michigan Community College Data  
 17 Inventory Report".

18 (c) General fund revenue and expenditure projections for the  
 19 current fiscal year and the next fiscal year.

20 (d) A listing of all debt service obligations, detailed by  
 21 project, anticipated payment of each project, and total outstanding  
 22 debt for the current fiscal year.

23 (e) Links to all of the following for the community college:

24 (i) The current collective bargaining agreement for each  
 25 bargaining unit.

26 (ii) Each health care benefits plan, including, but not limited  
 27 to, medical, dental, vision, disability, long-term care, or any  
 28 other type of benefits that would constitute health care services,  
 29 offered to any bargaining unit or employee of the community



1 college.

2 (iii) Audits and financial reports for the most recent fiscal  
3 year for which they are available.

4 (iv) A copy of the board of trustees resolution regarding  
5 compliance with best practices for the local strategic value  
6 component described in section 230(2).

7 (f) A map that includes the boundaries of the community  
8 college district.

9 (g) A prominent link to the financial aid website created  
10 under section 260.

11 (h) For statewide consistency and public visibility, community  
12 colleges shall use the icon badge provided by the department of  
13 technology, management, and budget consistent with the icon badge  
14 developed by the department of education for K-12 school districts.  
15 It must appear on the front of each community college's homepage.  
16 The size of the icon may be reduced to 150 x 150 pixels.

17 (5) No later than the ~~last~~**first** business day of November of  
18 each year, each community college that receives an appropriation in  
19 section 201 shall develop, maintain, and update a "campus safety  
20 information and resources" link, prominently displayed on the  
21 homepage of its website, that links to a section of the community  
22 college's website containing, at a minimum, all of the following  
23 information:

24 (a) Emergency contact numbers for police, fire, health, and  
25 other services.

26 (b) Hours, locations, telephone numbers, and email contacts  
27 for campus public safety offices and title IX offices.

28 (c) A list of safety and security services provided by the  
29 community college, including transportation, escort services,



1 building surveillance, anonymous tip lines, and other available  
2 security services.

3 (d) The community college's policies applicable to minors on  
4 community college property.

5 (e) A directory of resources available at the community  
6 college or in the surrounding community for students or employees  
7 who are survivors of sexual assault or sexual abuse.

8 (f) An electronic copy of "A Resource Handbook for Campus  
9 Sexual Assault Survivors, Friends and Family", published in 2018.

10 (g) Campus security policies and crime statistics pursuant to  
11 the student right-to-know and campus security act, Public Law 101-  
12 542, 104 Stat 2381. Information must include all material prepared  
13 pursuant to the public information reporting requirements under the  
14 crime awareness and campus security act of 1990, title II of the  
15 student right-to-know and campus security act, Public Law 101-542,  
16 104 Stat 2381.

17 (6) No later than the ~~last~~**first** business day of November of  
18 each year, each community college that receives an appropriation in  
19 section 201 shall report to the ~~house and senate appropriations~~  
20 ~~subcommittees on community colleges, the house and senate fiscal~~  
21 ~~agencies, and the state budget director~~**standard report recipients**  
22 its annual title IX report, also known as the student sexual  
23 misconduct report, issued by the title IX coordinator, as required  
24 under the federal campus SaVE act of 2013, Public Law 113-4,  
25 section 304, 127 Stat 54, 89-92 (2013).

26 (7) No later than the ~~last~~**first** business day of November of  
27 each year, each community college that receives an appropriation in  
28 section 201 shall certify that the community college complies with  
29 federal regulations under title IX, as required by the United



1 States Department of Education, including, but not limited to, the  
2 following:

3 (a) Use of medical experts that do not have an actual or  
4 apparent conflict of interest.

5 (b) Issuance of title IX reports to complainants and  
6 respondents that are not divergent.

7 (c) Notification of resources to each individual who reports  
8 having experienced sexual assault by a member of the community  
9 college.

10 **(8) Each community college that receives funding in section**  
11 **201 shall certify to the state budget director by the first**  
12 **business day of November of each year that it complies with student**  
13 **privacy protections granted under the family educational rights and**  
14 **privacy act of 1974, 20 USC 1232g, and the driver's privacy**  
15 **protection act, 18 USC 2721.**

16 Sec. 217b. (1) Each community college that receives an  
17 appropriation in section 201 shall report to the center by the last  
18 business day of August of each year the tuition and mandatory fees  
19 paid by a full-time in-district student and a full-time out-of-  
20 district student as established by the community college governing  
21 board for the current academic year. This report should also  
22 include the annual cost of tuition and fees based on a full-time  
23 course load of 30 credits. This report must also specify the amount  
24 that tuition and fees have increased for the community college from  
25 the prior academic year. Each community college shall also report  
26 any revisions to the reported current academic year tuition and  
27 mandatory fees adopted by the community college governing board to  
28 the center within 15 days of being adopted. The center shall  
29 provide this information and any revisions to the ~~house and senate~~



1 ~~fiscal agencies and the state budget director.~~ **standard report**  
 2 **recipients.**

3 (2) Each community college that receives an appropriation in  
 4 section 201 shall certify to the state budget director by the ~~first~~  
 5 **last** business day of ~~November~~ **August** of each year that its board  
 6 will not adopt an increase in tuition and fee rates for in-district  
 7 students for the academic year that is greater than the tuition  
 8 restraint described in this subsection. ~~For the academic year 2025-~~  
 9 ~~2026, the tuition restraint level is equal to the greater of 4.5%~~  
 10 ~~or \$227.00.~~ For the academic year 2026-2027, the tuition restraint  
 11 level is equal to the greater of 4.0% or \$199.00. **For the academic**  
 12 **year 2027-2028, the tuition restraint level is equal to the greater**  
 13 **of 3.0% or \$153.00.** It is intended that in the next fiscal year,  
 14 the tuition restraint rate will be adjusted only for the subsequent  
 15 academic year. As used in this subsection:

16 (a) "Fee" means any board-authorized fee that will be paid by  
 17 more than 1/2 of all in-district students at least once during  
 18 their enrollment at a community college. A community college  
 19 increasing a fee that applies to a specific subset of students or  
 20 courses shall provide sufficient information to prove that the  
 21 increase applied to that subset will not cause the increase in the  
 22 average amount of board-authorized total tuition and fees paid by  
 23 in-district students in the academic year to exceed the limit  
 24 established in this section.

25 (b) "Tuition and fee rate" means the average of full-time  
 26 rates paid by a majority of students in each class, based on an  
 27 unweighted average of the rates authorized by the community college  
 28 board and actually charged to students, deducting any uniformly  
 29 rebated or refunded amounts, for the 2 semesters with the highest



1 levels of full-time equated in-district enrollment during the  
2 academic year.

3 (3) Community colleges that exceed the tuition and fee rate  
4 cap described in subsection (2) are not eligible to receive  
5 payments under section ~~201f-201~~ for ~~1-time performance funding~~  
6 **infrastructure, technology, equipment, maintenance, and safety**  
7 payments for fiscal year ~~2025-2026. 2026-2027~~. The state budget  
8 director shall implement uniform reporting requirements to ensure  
9 that a community college receiving a payment under section ~~201f-201~~  
10 for ~~1-time performance funding~~ **infrastructure, technology,**  
11 **equipment, maintenance, and safety** has satisfied the tuition  
12 restraint requirements of this section. The state budget director  
13 has the sole authority to determine if a community college has met  
14 the requirements of this section. Information reported by a  
15 community college to the state budget director under this  
16 subsection must also be reported to the ~~house and senate~~  
17 ~~appropriations subcommittees on community colleges and the house~~  
18 ~~and senate fiscal agencies.~~ **standard report recipients.**

19 (4) Notwithstanding any other provision of this act, the  
20 legislature may at any time adjust appropriations for a community  
21 college that adopts an increase in tuition and fee rates for in-  
22 district students that exceeds the rate cap established in  
23 subsection (2).

24 Sec. 217f. ~~It is the intent of the legislature that taxpayer~~  
25 **Taxpayer** funds appropriated under this article are to be used to  
26 educate community college students and continue maintenance of  
27 community college buildings and other assets. The goal of the  
28 legislature is that taxpayer funds not be used excessively for  
29 administration. Therefore, a community college that receives an



1 appropriation under this article shall not spend more than 10% of  
 2 that appropriation on administration. A sum of money spent in  
 3 excess of the 10% cap described in this section by a community  
 4 college results in a forfeiture of an amount equal to 50% of that  
 5 sum from funds appropriated to that community college, not to  
 6 exceed the total amount appropriated to that community college  
 7 under this article. The auditor general may investigate allegations  
 8 of violations of this section. Funds forfeited under this section  
 9 must revert, to the extent permitted by law, to the general fund or  
 10 the state school aid fund. For the purpose of calculations under  
 11 this section, the amount spent by a community college on  
 12 administrative costs does not include costs associated with staff  
 13 working in the following roles: teachers, facilities, public  
 14 safety, technology, research, instruction, academic support,  
 15 student services, auxiliary services, or public service.

16       Sec. 222. Each community college shall have an annual audit of  
 17 all income and expenditures performed by an independent auditor and  
 18 shall furnish the independent auditor's management letter and an  
 19 annual audited accounting of all general and current funds income  
 20 and expenditures including audits of college foundations to the  
 21 center before November 15 of each year. The center shall provide  
 22 this information ~~to members of the senate and house appropriations~~  
 23 ~~subcommittees on community colleges, the senate and house fiscal~~  
 24 ~~agencies, the standard report recipients,~~ the auditor general, the  
 25 department of labor and economic opportunity, **and** the department of  
 26 lifelong education, advancement, and potential. ~~and the state~~  
 27 ~~budget director.~~ If a community college fails to furnish the audit  
 28 materials, the monthly state operations installments must be  
 29 withheld from that college until the information is submitted. All



1 reporting must conform to the requirements set forth in the "2001  
 2 Manual for Uniform Financial Reporting, Michigan Public Community  
 3 Colleges". A community college shall make the information the  
 4 community college is required to provide under this section  
 5 available to the public on its website.

6       Sec. 223. (1) By January 15 of each year, the department of  
 7 lifelong education, advancement, and potential shall submit to the  
 8 ~~state budget director, the house and senate appropriations~~  
 9 ~~subcommittees on community colleges, and the house and senate~~  
 10 ~~fiscal agencies~~ **standard report recipients** a report on North  
 11 American Indian tuition waivers for the preceding academic year  
 12 that includes, but is not limited to, all of the following  
 13 information:

14       (a) The number of waiver applications received and the number  
 15 of waiver applications approved.

16       (b) For each community college submitting information under  
 17 subsection (2), all of the following:

18       (i) The number of ~~North~~ **Native** American ~~Indian~~ students  
 19 enrolled each term for the previous academic year.

20       (ii) The number of North American Indian waivers granted each  
 21 term, including continuing education students, and the monetary  
 22 value of the waivers for the previous academic year.

23       (iii) The number of ~~North~~ **Native** American Indian students who  
 24 receive a granted waiver for the previous academic year.

25       (iv) The number of students attending under a North American  
 26 Indian tuition waiver who withdrew from the college each term  
 27 during the previous academic year. For purposes of this  
 28 subparagraph, a withdrawal occurs when a student who has been  
 29 awarded the waiver withdraws from the institution at any point



1 during the term, regardless of enrollment in subsequent terms.

2 (v) The number of students attending under a North American  
3 Indian tuition waiver who successfully transfer to a 4-year public  
4 or private university, or complete a degree or certificate program,  
5 separated by degree or certificate level, and the graduation rate  
6 for students attending under a North American Indian tuition waiver  
7 who complete a degree or certificate within 150% of the normal time  
8 to complete, separated by the level of the degree or certificate.

9 (2) By January 1 of each year, a community college that  
10 receives an appropriation in section 201 or a tribal institution  
11 that receives funding for the North American Indian tuition waiver  
12 shall provide to the department of lifelong education, advancement,  
13 and potential any information necessary for preparing the report  
14 described in subsection (1), using guidelines and procedures  
15 developed by the department of lifelong education, advancement, and  
16 potential.

17 (3) The department of lifelong education, advancement, and  
18 potential may consolidate the report required under this section  
19 with the report required under section 268, but a consolidated  
20 report must separately identify data for universities and data for  
21 community colleges.

22 Sec. 226e. It is the goal of the governor ~~and legislature to~~  
23 ensure that 60% of Michigan's residents achieve a postsecondary  
24 credential, high-quality industry certification, associate degree,  
25 or bachelor's degree by 2030.

26 Sec. 229a. Included in the fiscal year ~~2025-2026-2026-2027~~  
27 appropriations for the department of technology, management, and  
28 budget are appropriations totaling ~~\$38,032,600.00~~ **\$40,398,900.00** to  
29 provide funding for the state share of costs for previously



1 constructed capital projects for community colleges. Those  
 2 appropriations for state building authority rent represent  
 3 additional state general fund support for community colleges, and  
 4 the following is an estimate of the amount of that support to each  
 5 community college:

- 6 (a) Alpena Community College, \$855,000.00.
- 7 (b) Bay de Noc Community College, \$515,000.00.
- 8 (c) Delta College, ~~\$2,881,100.00~~ **\$2,881,000.00**.
- 9 (d) Glen Oaks Community College, \$380,000.00.
- 10 (e) Gogebic Community College, \$56,000.00.
- 11 (f) Grand Rapids Community College,  
 12 ~~\$2,346,000.00~~ **\$2,430,000.00**.
- 13 (g) Henry Ford College, \$1,505,000.00.
- 14 (h) Jackson College, \$2,044,000.00.
- 15 (i) Kalamazoo Valley Community College,  
 16 ~~\$1,942,000.00~~ **\$3,404,500.00**.
- 17 (j) Kellogg Community College, \$679,000.00.
- 18 (k) Kirtland Community College, \$225,000.00.
- 19 (l) Lake Michigan College, \$966,000.00.
- 20 (m) Lansing Community College, \$757,000.00.
- 21 (n) Macomb Community College, \$4,682,200.00.
- 22 (o) Mid Michigan Community College, \$1,615,000.00.
- 23 (p) Monroe County Community College,  
 24 ~~\$1,540,000.00~~ **\$2,359,900.00**.
- 25 (q) Montcalm Community College, \$446,000.00.
- 26 (r) C.S. Mott Community College, \$3,103,000.00.
- 27 (s) Muskegon Community College, \$982,000.00.
- 28 (t) North Central Michigan College, \$646,000.00.
- 29 (u) Northwestern Michigan College, \$1,787,000.00.



- 1 (v) Oakland Community College, \$0.00.  
 2 (w) Schoolcraft College, \$2,232,000.00.  
 3 (x) Southwestern Michigan College, \$822,500.00.  
 4 (y) St. Clair County Community College, \$718,000.00.  
 5 (z) Washtenaw Community College, \$1,676,000.00.  
 6 (aa) Wayne County Community College, \$1,895,800.00.  
 7 (bb) West Shore Community College, \$736,000.00.

8 Sec. 230. (1) Subject to subsection (4), money included in the  
 9 appropriations for community college operations under section 201  
 10 for performance funding ~~and allocated under section 201f for 1-time~~  
 11 ~~performance funding payments~~ is distributed based on the following  
 12 formula:

13 (a) Allocated proportionate to fiscal year ~~2024-2025~~ **2025-2026**  
 14 base appropriations, 30%.

15 (b) Based on a weighted student contact hour formula as  
 16 provided for in the 2016 recommendations of the performance  
 17 indicators task force, 30%.

18 (c) Based on the performance improvement as provided for in  
 19 the 2016 recommendations of the performance indicators task force  
 20 and based on data provided by the center, 10%.

21 (d) Based on the performance completion number as provided for  
 22 in the 2016 recommendations of the performance indicators task  
 23 force, 10%.

24 (e) Based on the performance completion rate as provided for  
 25 in the 2016 recommendations of the performance indicators task  
 26 force and based on data provided by the center, 10%.

27 (f) Based on administrative costs, 5%.

28 (g) Based on the local strategic value component, as developed  
 29 in cooperation with the Michigan Community College Association and



1 described in subsection (2), 5%.

2 (2) Money included in the appropriations for community college  
 3 operations under section 201(2) for local strategic value is  
 4 allocated only to each community college that certifies to the  
 5 state budget director, through a board of trustees resolution on or  
 6 before October 15, ~~2025~~, **2026**, that the college has met 4 out of 5  
 7 best practices listed in each category described in subsection (3).  
 8 The resolution must provide specifics as to how the community  
 9 college meets each best practice measure within each category. One-  
 10 third of funding available under the strategic value component is  
 11 allocated to each category described in subsection (3). Amounts  
 12 distributed under local strategic value must be on a proportionate  
 13 basis to each college's fiscal year ~~2024-2025~~ **2025-2026** operations  
 14 funding. Payments to community colleges that qualify for local  
 15 strategic value funding must be distributed with the November  
 16 installment payment described in section 206.

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

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

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

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

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



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

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

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

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

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

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

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

27 (v) The community college has active partnerships with  
28 regional 4-year colleges and universities to promote successful  
29 transfer, such as articulation, 2+2, or reverse transfer agreements



1 or operation of a university center.

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

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

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

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

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

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

21 (4) Payments for performance funding under section 201 ~~and for~~  
22 ~~1-time performance funding payments under section 201f~~ must be made  
23 to a community college only if that community college actively  
24 participates in the Michigan Transfer Network sponsored by the  
25 Michigan Association of Collegiate Registrars and Admissions  
26 Officers and submits timely updates, including updated course  
27 equivalencies at least every 6 months, to the Michigan Transfer  
28 Network. The state budget director shall determine if a community  
29 college has not satisfied this requirement. The state budget



1 director may withhold payments for performance funding under  
2 section 201 and ~~1-time performance funding under section 201f~~ until  
3 a community college is in compliance with this subsection.

4 Enacting section 1. In accordance with section 30 of article  
5 IX of the state constitution of 1963, total state spending from  
6 state sources for community colleges for fiscal year 2026-2027  
7 under article II of the state school aid act of 1979, 1979 PA 94,  
8 MCL 388.1801 to 388.1830, as amended by this amendatory act, is  
9 estimated at \$491,039,800.00 and the amount of that state spending  
10 from state sources to be paid to local units of government for  
11 fiscal year 2026-2027 is estimated at \$491,039,800.00.

12 Enacting section 2. Sections 201f and 217c of the state school  
13 aid act of 1979, 1979 PA 94, MCL 388.1801f and 388.1817c, are  
14 repealed effective October 1, 2026.

15 Enacting section 3. This amendatory act takes effect October  
16 1, 2026.

