

**SUBSTITUTE FOR
HOUSE BILL NO. 4579**

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 201, 204, 206, 207a, 207b, 207c, 210, 210b,
210d, 212, 217, 217a, 217b, 222, 229a, and 230 (MCL 388.1801,
388.1804, 388.1806, 388.1807a, 388.1807b, 388.1807c, 388.1810,
388.1810b, 388.1810d, 388.1812, 388.1817, 388.1817a, 388.1817b,
388.1822, 388.1829a, and 388.1830), sections 201, 206, 207a, 207b,
207c, 217, 217b, 222, 229a, and 230 as amended by 2024 PA 120,
section 204 as amended by 2012 PA 201, section 210 as amended and
section 210d as added by 2015 PA 85, section 210b as amended by
2021 PA 86, section 212 as amended by 2016 PA 249, and section 217a
as added by 2023 PA 103, and by adding sections 217d, 217e, 217f,
217g, 217h, and 217i; and to repeal acts and parts of acts.



JHM

H01047'25 (H-1)



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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, ~~2025,~~ **2026**, from the funds indicated in this section. The following is a summary of the appropriations in this section: ~~and section 201f:~~

(a) The gross appropriation is ~~\$462,220,800.00.~~ **\$456,652,500.00.** After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is ~~\$462,220,800.00.~~ **\$456,652,500.00.**

(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, ~~\$461,720,800.00.~~ **\$456,652,500.00.**

(v) State general fund/general purpose money, ~~\$500,000.00.~~ **\$0.00.**

(2) Subject to subsection (3), the amount appropriated for community college operations is \$363,363,500.00, allocated as follows:

(a) The appropriation for Alpena Community College is ~~\$6,425,100.00, \$6,300,600.00 for operations, \$102,700.00 for performance funding, and \$21,800.00 for costs incurred under the North American Indian tuition waiver.~~ **\$6,425,100.00, \$6,403,300.00 for operations, \$0.00 for performance funding, and \$21,800.00 for costs incurred under the North American Indian tuition waiver.**

(b) The appropriation for Bay de Noc Community College is



~~\$6,398,000.00, \$6,185,300.00 for operations, \$112,700.00 for performance funding, and \$100,000.00 for costs incurred under the North American Indian tuition waiver.~~ **\$6,398,000.00, \$6,298,000.00 for operations, \$0.00 for performance funding, and \$100,000.00 for costs incurred under the North American Indian tuition waiver.**

(c) The appropriation for Delta College is ~~\$16,907,200.00, \$16,642,300.00 for operations, \$240,100.00 for performance funding, and \$24,800.00 for costs incurred under the North American Indian tuition waiver.~~ **\$16,907,200.00, \$16,882,400.00 for operations, \$0.00 for performance funding, and \$24,800.00 for costs incurred under the North American Indian tuition waiver.**

(d) The appropriation for Glen Oaks Community College is ~~\$2,985,900.00, \$2,939,000.00 for operations, \$45,100.00 for performance funding, and \$1,800.00 for costs incurred under the North American Indian tuition waiver.~~ **\$2,985,900.00, \$2,984,100.00 for operations, \$0.00 for performance funding, and \$1,800.00 for costs incurred under the North American Indian tuition waiver.**

(e) The appropriation for Gogebic Community College is ~~\$5,447,400.00, \$5,329,700.00 for operations, \$69,300.00 for performance funding, and \$48,400.00 for costs incurred under the North American Indian tuition waiver.~~ **\$5,447,400.00, \$5,399,000.00 for operations, \$0.00 for performance funding, and \$48,400.00 for costs incurred under the North American Indian tuition waiver.**

(f) The appropriation for Grand Rapids Community College is ~~\$21,295,300.00, \$20,844,400.00 for operations, \$339,800.00 for performance funding, and \$111,100.00 for costs incurred under the North American Indian tuition waiver.~~ **\$21,295,300.00, \$21,184,200.00 for operations, \$0.00 for performance funding, and \$111,100.00 for costs incurred under the North American Indian tuition waiver.**



(g) The appropriation for Henry Ford College is ~~\$25,307,100.00, \$24,929,800.00 for operations, \$370,900.00 for performance funding, and \$6,400.00 for costs incurred under the North American Indian tuition waiver.~~ **\$25,307,100.00, \$25,300,700.00 for operations, \$0.00 for performance funding, and \$6,400.00 for costs incurred under the North American Indian tuition waiver.**

(h) The appropriation for Jackson College is ~~\$14,074,900.00, \$13,854,100.00 for operations, \$178,500.00 for performance funding, and \$42,300.00 for costs incurred under the North American Indian tuition waiver.~~ **\$14,074,900.00, \$14,032,600.00 for operations, \$0.00 for performance funding, and \$42,300.00 for costs incurred under the North American Indian tuition waiver.**

(i) The appropriation for Kalamazoo Valley Community College is ~~\$14,741,600.00, \$14,481,900.00 for operations, \$222,500.00 for performance funding, and \$37,200.00 for costs incurred under the North American Indian tuition waiver.~~ **\$14,741,600.00, \$14,704,400.00 for operations, \$0.00 for performance funding, and \$37,200.00 for costs incurred under the North American Indian tuition waiver.**

(j) The appropriation for Kellogg Community College is ~~\$11,462,100.00, \$11,269,200.00 for operations, \$157,500.00 for performance funding, and \$35,400.00 for costs incurred under the North American Indian tuition waiver.~~ **\$11,462,100.00, \$11,426,700.00 for operations, \$0.00 for performance funding, and \$35,400.00 for costs incurred under the North American Indian tuition waiver.**

(k) The appropriation for Kirtland Community College is ~~\$3,860,900.00, \$3,773,100.00 for operations, \$62,000.00 for performance funding, and \$25,800.00 for costs incurred under the North American Indian tuition waiver.~~ **\$3,860,900.00, \$3,835,100.00 for operations, \$0.00 for performance funding, and \$25,800.00 for**



1 **costs incurred under the North American Indian tuition waiver.**

2 (l) The appropriation for Lake Michigan College is
 3 ~~\$6,414,200.00, \$6,318,000.00 for operations, \$90,200.00 for~~
 4 ~~performance funding, and \$6,000.00 for costs incurred under the~~
 5 ~~North American Indian tuition waiver.~~**\$6,414,200.00, \$6,408,200.00**
 6 **for operations, \$0.00 for performance funding, and \$6,000.00 for**
 7 **costs incurred under the North American Indian tuition waiver.**

8 (m) The appropriation for Lansing Community College is
 9 ~~\$36,215,600.00, \$35,689,200.00 for operations, \$445,200.00 for~~
 10 ~~performance funding, and \$81,200.00 for costs incurred under the~~
 11 ~~North American Indian tuition waiver.~~**\$36,215,600.00, \$36,134,400.00**
 12 **for operations, \$0.00 for performance funding, and \$81,200.00 for**
 13 **costs incurred under the North American Indian tuition waiver.**

14 (n) The appropriation for Macomb Community College is
 15 ~~\$38,184,300.00, \$37,635,400.00 for operations, \$525,200.00 for~~
 16 ~~performance funding, and \$23,700.00 for costs incurred under the~~
 17 ~~North American Indian tuition waiver.~~**\$38,184,300.00, \$38,160,600.00**
 18 **for operations, \$0.00 for performance funding, and \$23,700.00 for**
 19 **costs incurred under the North American Indian tuition waiver.**

20 (o) The appropriation for Mid Michigan Community College is
 21 ~~\$5,912,500.00, \$5,742,900.00 for operations, \$94,100.00 for~~
 22 ~~performance funding, and \$75,500.00 for costs incurred under the~~
 23 ~~North American Indian tuition waiver.~~**\$5,912,500.00, \$5,837,000.00**
 24 **for operations, \$0.00 for performance funding, and \$75,500.00 for**
 25 **costs incurred under the North American Indian tuition waiver.**

26 (p) The appropriation for Monroe County Community College is
 27 ~~\$5,370,300.00, \$5,284,700.00 for operations, \$83,800.00 for~~
 28 ~~performance funding, and \$1,800.00 for costs incurred under the~~
 29 ~~North American Indian tuition waiver.~~**\$5,370,300.00, \$5,368,500.00**

1 **for operations, \$0.00 for performance funding, and \$1,800.00 for**
 2 **costs incurred under the North American Indian tuition waiver.**

3 (q) The appropriation for Montcalm Community College is
 4 ~~\$4,035,200.00, \$3,957,200.00 for operations, \$76,100.00 for~~
 5 ~~performance funding, and \$1,900.00 for costs incurred under the~~
 6 ~~North American Indian tuition waiver.~~**\$4,035,200.00, \$4,033,300.00**
 7 **for operations, \$0.00 for performance funding, and \$1,900.00 for**
 8 **costs incurred under the North American Indian tuition waiver.**

9 (r) The appropriation for C.S. Mott Community College is
 10 ~~\$18,023,600.00, \$17,791,700.00 for operations, \$226,100.00 for~~
 11 ~~performance funding, and \$5,800.00 for costs incurred under the~~
 12 ~~North American Indian tuition waiver.~~**\$18,023,600.00, \$18,017,800.00**
 13 **for operations, \$0.00 for performance funding, and \$5,800.00 for**
 14 **costs incurred under the North American Indian tuition waiver.**

15 (s) The appropriation for Muskegon Community College is
 16 ~~\$10,381,200.00, \$10,210,900.00 for operations, \$149,000.00 for~~
 17 ~~performance funding, and \$21,300.00 for costs incurred under the~~
 18 ~~North American Indian tuition waiver.~~**\$10,381,200.00, \$10,359,900.00**
 19 **for operations, \$0.00 for performance funding, and \$21,300.00 for**
 20 **costs incurred under the North American Indian tuition waiver.**

21 (t) The appropriation for North Central Michigan College is
 22 ~~\$4,110,200.00, \$3,868,800.00 for operations, \$78,900.00 for~~
 23 ~~performance funding, and \$162,500.00 for costs incurred under the~~
 24 ~~North American Indian tuition waiver.~~**\$4,110,200.00, \$3,947,700.00**
 25 **for operations, \$0.00 for performance funding, and \$162,500.00 for**
 26 **costs incurred under the North American Indian tuition waiver.**

27 (u) The appropriation for Northwestern Michigan College is
 28 ~~\$10,816,600.00, \$10,473,300.00 for operations, \$146,500.00 for~~
 29 ~~performance funding, and \$196,800.00 for costs incurred under the~~



~~North American Indian tuition waiver.~~**\$10,816,600.00, \$10,619,800.00**
for operations, \$0.00 for performance funding, and \$196,800.00 for
costs incurred under the North American Indian tuition waiver.

(v) The appropriation for Oakland Community College is
~~\$25,163,800.00, \$24,733,600.00 for operations, \$396,400.00 for~~
~~performance funding, and \$33,800.00 for costs incurred under the~~
~~North American Indian tuition waiver.~~**\$25,163,800.00, \$25,130,000.00**
for operations, \$0.00 for performance funding, and \$33,800.00 for
costs incurred under the North American Indian tuition waiver.

(w) The appropriation for Schoolcraft College is
~~\$14,993,000.00, \$14,711,800.00 for operations, \$260,200.00 for~~
~~performance funding, and \$21,000.00 for costs incurred under the~~
~~North American Indian tuition waiver.~~**\$14,993,000.00, \$14,972,000.00**
for operations, \$0.00 for performance funding, and \$21,000.00 for
costs incurred under the North American Indian tuition waiver.

(x) The appropriation for Southwestern Michigan College is
~~\$7,816,100.00, \$7,682,800.00 for operations, \$103,800.00 for~~
~~performance funding, and \$29,500.00 for costs incurred under the~~
~~North American Indian tuition waiver.~~**\$7,816,100.00, \$7,786,600.00**
for operations, \$0.00 for performance funding, and \$29,500.00 for
costs incurred under the North American Indian tuition waiver.

(y) The appropriation for St. Clair County Community College
is ~~\$8,366,100.00, \$8,210,400.00 for operations, \$131,600.00 for~~
~~performance funding, and \$24,100.00 for costs incurred under the~~
~~North American Indian tuition waiver.~~**\$8,366,100.00, \$8,342,000.00**
for operations, \$0.00 for performance funding, and \$24,100.00 for
costs incurred under the North American Indian tuition waiver.

(z) The appropriation for Washtenaw Community College is
~~\$16,281,900.00, \$15,925,500.00 for operations, \$331,800.00 for~~



~~performance funding, and \$24,600.00 for costs incurred under the North American Indian tuition waiver.~~ **\$16,281,900.00, \$16,257,300.00 for operations, \$0.00 for performance funding, and \$24,600.00 for costs incurred under the North American Indian tuition waiver.**

(aa) The appropriation for Wayne County Community College is ~~\$19,464,700.00, \$19,193,300.00 for operations, \$267,000.00 for performance funding, and \$4,400.00 for costs incurred under the North American Indian tuition waiver.~~ **\$19,464,700.00, \$19,460,300.00 for operations, \$0.00 for performance funding, and \$4,400.00 for costs incurred under the North American Indian tuition waiver.**

(bb) The appropriation for West Shore Community College is ~~\$2,908,700.00, \$2,851,200.00 for operations, \$45,500.00 for performance funding, and \$12,000.00 for costs incurred under the North American Indian tuition waiver.~~ **\$2,908,700.00, \$2,896,700.00 for operations, \$0.00 for performance funding, and \$12,000.00 for costs incurred under the North American Indian tuition waiver.**

(3) The amount appropriated in subsection (2) for community college operations is \$363,363,500.00 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 ~~2024-2025~~ **2025-2026** to offset certain fiscal year ~~2024-2025~~ **2025-2026** retirement contributions is \$7,189,000.00, appropriated from the state school aid fund.

(b) For fiscal year ~~2024-2025~~ **2025-2026**, there is allocated an amount not to exceed \$21,800,000.00 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 \$62,100,000.00, 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. Each community college receiving funds in this subsection shall accrue these payments to its institutional fiscal year ending June 30, ~~2025~~.**2026**.

~~(7) For fiscal year 2024-2025 only, from the appropriations described in subsection (1), the amount appropriated for career and education navigators for adult learners is \$1,150,000.00, appropriated from the state school aid fund. Community colleges, partnering with 1 or more county governments, where practicable, may apply for grant funding through the department of lifelong education, advancement, and potential to supplement or create navigation efforts of adult learners. The department shall issue a report including, but not limited to, the number of grants awarded, a list of community colleges awarded grants and the amounts, and the amount of unexpended funds remaining at the end of the fiscal year. The report must be issued to the house and senate appropriations subcommittees on community colleges, the house and senate fiscal agencies, and the state budget director by September 30, 2025.~~

~~(8) For fiscal year 2024-2025 only, from the appropriations~~



described in subsection (1), ~~\$500,000.00 is appropriated from state general fund/general purpose money to the Michigan Community Colleges Association to support a program intended to encourage high school students and young adults to pursue public-service-focused careers, including those in public safety, education, and health care.~~

~~(9) For fiscal year 2024-2025 only, from the appropriations described in subsection (1), \$350,000.00 is appropriated from the state school aid fund to Kalamazoo Valley Community College for internet accessibility improvements.~~

Sec. 204. Funds appropriated in section 201 ~~shall~~ **must** not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference should be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality. ~~In addition, preference should be given to goods or services, or both, that are manufactured or provided by Michigan businesses that are owned and operated by veterans, if they are competitively priced and of comparable quality.~~

Sec. 206. (1) Except for the funds appropriated in section 201(4)(b), the funds appropriated in section 201 are appropriated for community colleges with fiscal years ending June 30, ~~2025-2026~~ and must 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, ~~2024-2025~~. Each community college shall accrue its July and August ~~2025-2026~~ payments to its institutional fiscal year ending June 30, ~~2025-2026~~.



(2) The funds appropriated in section 201(4) (b) are appropriated for community colleges with fiscal years ending June 30, ~~2025-2026~~ and must be distributed to the respective community colleges in quarterly installments on the sixteenth of each November, February, May, and August. Each community college shall accrue its August ~~2025-2026~~ payments to its institutional fiscal year ending June 30, ~~2025-2026~~.

Sec. 207a. The following apply to the allocation of the ~~fiscal year 2024-2025~~ 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) (a) must 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.

(c) The amount allocated to each participating community college under section 201(4) (b) must be based on each college's reported quarterly payroll for members for the current fiscal year.

Sec. 207b. All of the following apply to the allocation of the ~~fiscal year 2024-2025~~ 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) must 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,



1 as calculated without taking into account the maximum employer rate
2 of 20.96% included in section 41 of the public school employees
3 retirement act of 1979, 1980 PA 300, MCL 38.1341, and the maximum
4 employer rate of 20.96% under section 41 of the public school
5 employees retirement act of 1979, 1980 PA 300, MCL 38.1341.

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

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

17 Sec. 207c. All of the following apply to the allocation of the
18 appropriations described in section 201(6) to community colleges
19 described in section 12(3) of the Michigan renaissance zone act,
20 1996 PA 376, MCL 125.2692:

21 (a) The amount allocated to each community college under
22 section 201(6) for fiscal year ~~2024-2025~~**2025-2026** must be based on
23 that community college's proportion of total revenue lost by
24 community colleges as a result of the exemption of property taxes
25 levied in ~~2024~~**2025** under the Michigan renaissance zone act, 1996
26 PA 376, MCL 125.2681 to 125.2696.

27 (b) The appropriations described in section 201(6) must be
28 made to each eligible community college within 60 days after the
29 department of treasury certifies to the state budget director that



1 it has received all necessary information to properly determine the
 2 amounts payable to each eligible community college under section 12
 3 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2692.

4 Sec. 210. (1) Recognizing the critical importance of education
 5 in strengthening Michigan's workforce, each community college ~~is~~
 6 ~~encouraged to~~ **shall** explore ways of increasing collaboration and
 7 cooperation with 4-year universities, particularly in the areas
 8 related to training, instruction, and program articulation.

9 (2) Recognizing the central role of community colleges in
 10 responding to local employment needs and challenges, community
 11 colleges shall develop and continue efforts to collaborate with
 12 local employers and students to identify local employment needs and
 13 strategies to meet them.

14 (3) Community colleges ~~are encouraged to~~ **shall** collaborate
 15 with each other on innovations to identify and meet local
 16 employment needs.

17 (4) Community colleges ~~are encouraged to~~ **shall** work with
 18 universities to develop equivalency standards of core college
 19 courses and identify equivalent courses offered by postsecondary
 20 institutions.

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



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

3 (b) The implementation of MiTransfer pathways.

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

6 (d) The implementation of the Michigan Transfer Network at
7 mitransfer.org.

8 (e) A progress report on the implementation of the Michigan
9 transfer agreement.

10 Sec. 210d. **(1)** Community colleges ~~are encouraged to~~ **shall** work
11 with public universities in ~~the~~ **this** state to implement statewide
12 reverse transfer agreements to increase the number of students that
13 are awarded credentials of value upon completion of the necessary
14 credits. These statewide agreements ~~shall~~ **must** enable students who
15 have earned a significant number of credits at a community college
16 and transferred to a baccalaureate-granting institution before
17 completing a degree to transfer the credits earned at the
18 baccalaureate institution back to the community college in order to
19 be awarded a credential of value.

20 **(2) Each community college receiving appropriations under**
21 **section 201 shall consult with the department of lifelong**
22 **education, advancement, and potential at least once an academic**
23 **year on the policies and services the community college implements**
24 **regarding transfer credits and transfer students. Each community**
25 **college shall do all of the following:**

26 **(a) Publicly publish transfer policies and resources for**
27 **students on the community college's website in an easily accessible**
28 **manner and in admissions materials.**

29 **(b) Provide publicly available information on the Michigan**



Transfer Network, applicable transfer pathways, and financial aid available to transfer students, at no cost to the student.

Sec. 212. Community college districts are encouraged to evaluate and pursue efficiency and cost-containment measures that maximize state funding. Community colleges shall identify practices that increase efficiencies, including, but not limited to, establishing joint ventures, consolidating services, utilizing program collaborations, maximizing educational benefits through optimal class sizes and frequency of course offerings, ~~increasing web-based instruction, eliminating low-enrollment and high-cost instructional programs, using self-insurance, practicing energy conservation,~~ and utilizing group purchasing. Community colleges shall also review proposed capital outlay projects to increase coordination and utilization of new facilities, renovation projects, and technology improvements.

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 must 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



1 policy decisions.

2 (f) Compile and publish electronically the demographic
3 enrollment profile. **The demographic enrollment profile must not**
4 **contain any references to gender, race, or ethnicity, or any**
5 **combination of these references.**

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

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

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

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

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

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

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

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



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

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

6 (3) The Michigan Community College Data Inventory advisory
7 committee created in subsection (2) consists of the following
8 members:

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

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

13 (c) One representative from the department of labor and
14 economic opportunity, appointed by the director of the department
15 of labor and economic opportunity.

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

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

20 (f) One representative from the department of lifelong
21 education, advancement, and potential, appointed by the director of
22 the department of lifelong education, advancement, and potential.

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

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

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 may withhold the monthly **operations** installments
17 described in section ~~206-201~~ from that community college until
18 those data are submitted. If a community college does not submit
19 any of the information described in subsection (1) by the end of
20 the fiscal year, the community college forfeits any withheld
21 amount. The state budget director shall notify the chairs of the
22 house and senate appropriations subcommittees on community colleges
23 at least 10 days before withholding funds from any community
24 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:

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 first business day of November of each
8 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, subject to subdivision (h), as follows:

12 (a) The annual operating budget and subsequent budget
13 revisions.

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

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

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

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

22 (i) The current collective bargaining agreement for each
23 bargaining unit.

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

29 (iii) Audits and financial reports for the most recent fiscal



1 year for which they are available.

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

5 (f) A map that includes the boundaries of the community
6 college district.

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

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

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

22 (a) Emergency contact numbers for police, fire, health, and
23 other services.

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

26 (c) A list of safety and security services provided by the
27 community college, including transportation, escort services,
28 building surveillance, anonymous tip lines, and other available
29 security services.



1 (d) The community college's policies applicable to minors on
2 community college property.

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

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

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

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

23 (7) No later than the first business day of November of each
24 year, each community college that receives an appropriation in
25 section 201 shall certify that the community college complies with
26 federal regulations under title IX, as required by the United
27 States Department of Education, including, but not limited to, the
28 following:

29 (a) Use of medical experts that do not have an actual or



1 apparent conflict of interest.

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

4 (c) Notification of resources to each individual who reports
5 having experienced sexual assault by a member of the community
6 college.

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

22 (2) Each community college that receives an appropriation in
23 section 201 shall certify to the state budget director by the last
24 business day of August of each year that its board will not adopt
25 an increase in tuition and fee rates for in-district students for
26 the academic year that is greater than the tuition restraint
27 described in this subsection. ~~For the academic year 2024-2025, the~~
28 ~~tuition restraint level is equal to the greater of 4.5% or \$217.00.~~
29 For the academic year 2025-2026, the tuition restraint level is



equal to the greater of ~~4.5%~~**3.0%** or ~~\$227.00.~~**\$149.00.** ~~It is intended that in the next fiscal year, the tuition restraint rate will be adjusted only for the subsequent academic year.~~ As used in this subsection:

(a) "Fee" means any board-authorized fee that will be paid by more than 1/2 of all in-district students at least once during their enrollment at a community college. A community college increasing a fee that applies to a specific subset of students or courses shall provide sufficient information to prove that the increase applied to that subset will not cause the increase in the average amount of board-authorized total tuition and fees paid by in-district students in the ~~2024-2025~~**2025-2026** academic year to exceed the limit established in this section.

(b) "Tuition and fee rate" means the average of full-time rates paid by a majority of students in each class, based on an unweighted average of the rates authorized by the community college board and actually charged to students, deducting any uniformly rebated or refunded amounts, for the 2 semesters with the highest levels of full-time equated in-district enrollment during the academic year.

(3) Community colleges that exceed the tuition and fee rate cap described in subsection (2) are not eligible to receive payments under section 201 for performance funding ~~or payments under section 201f for 1-time performance funding payments for~~ fiscal year ~~2024-2025~~**2025-2026. The state budget director shall implement uniform reporting requirements to ensure that a community college receiving a payment under section 201 for performance funding has satisfied the tuition restraint requirements of this section. The state budget director has the sole authority to**



determine if a community college has met the requirements of this section. Information reported by a community college to the state budget director under this subsection must also be reported to the house and senate appropriations subcommittees on community colleges, and the house and senate fiscal agencies.

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

Sec. 217d. A community college that receives an appropriation in section 201 shall not violate *Students for Fair Admissions, Inc. v. President & Fellows of Harvard College*, 600 U.S. 181 (2023). The holding on the merits of the case by the federal district court in *Students for Fair Admissions, Inc. v. President & Fellows of Harvard College*, 397 F. Supp. 3d 126 (D. Mass. 2019) is the sole determining factor as to whether this section is violated. A community college that violates this section forfeits 25% of its operations funding under section 201. Funds forfeited under this section must be redistributed as follows:

(a) 10% to the auditor general for the sole purpose of investigating further allegations of similar or identical violations of this section.

(b) 25% to the other community colleges that receive an appropriation in section 201.

(c) 65% to the state school aid fund.

Sec. 217e. (1) It is the intent of the legislature to ensure that all residents of this state are treated equally regardless of their immutable characteristics. Diversity, equity, and inclusion



1 initiatives violate this principle. Therefore, money appropriated
2 to community colleges under this article must not be spent to
3 promote diversity, equity, or inclusion. As money is fungible, the
4 source of an expenditure on diversity, equity, or inclusion is
5 irrelevant for the purposes of this section. A sum of money spent
6 on diversity, equity, or inclusion by a community college results
7 in a forfeiture of an equal sum from funds appropriated to that
8 community college, not to exceed the total amount appropriated to
9 that community college under this article. The auditor general is
10 authorized to investigate allegations of violations of this
11 section. Funds forfeited under this section must be redistributed
12 as follows:

13 (a) 10% to the auditor general for the sole purpose of
14 investigating further allegations of similar or identical
15 violations of this section.

16 (b) 25% to the other community colleges that receive an
17 appropriation in section 201.

18 (c) 65% to the state school aid fund.

19 (2) The state budget director shall make the determination if
20 a community college violates this section.

21 Sec. 217f. It is the intent of the legislature that taxpayer
22 funds appropriated under this article are to be used to educate
23 community college students and continue maintenance of community
24 college buildings and other assets. The goal of the legislature is
25 that taxpayer funds not be used excessively for administration
26 staff who do not teach or protect public assets. Therefore, a
27 community college that receives an appropriation under this act
28 shall not spend more than 10% of its total salaries to staff who do
29 not educate students for credit hours or provide maintenance



1 functions, such as cleaning the buildings, fixing the buildings,
2 tending landscaping, or maintaining the peace as law enforcement
3 officers authorized in accordance with the Michigan commission on
4 law enforcement standards act, 1965 PA 203, MCL 28.601 to 28.615.
5 As money is fungible, the source of an expenditure on staff
6 salaries is irrelevant for the purposes of this section. A sum of
7 money spent in excess of the 10% cap described in this section by a
8 community college results in a forfeiture of an amount equal to 50%
9 of that sum from funds appropriated to that community college, not
10 to exceed the total amount appropriated to that community college
11 under this article. The auditor general may investigate allegations
12 of violations of this section. Funds forfeited under this section
13 must revert, to the extent permitted by law, to the general fund or
14 the state school aid fund.

15 Sec. 217g. (1) The board of a community college that
16 participates in intercollegiate athletic activities shall designate
17 intercollegiate athletic teams and sports based on the sex of the
18 participants, with separate teams for participants of the female
19 sex within female sports divisions, separate teams for participants
20 of the male sex within male sports divisions, and, if applicable,
21 co-ed teams for participants of the female and male sexes within
22 co-ed sports divisions. A community college district shall not
23 knowingly allow individuals of the male sex to participate on
24 athletic teams or in athletic competitions designated for only
25 participants of the female sex. This section must not be construed
26 to restrict the eligibility of any student to participate on any
27 intercollegiate athletic teams or in intercollegiate athletic
28 activities that are designated as male or co-ed. As used in this
29 section:



1 (a) "Female" means an individual of the sex characterized by a
2 reproductive system with the biological function of producing eggs
3 (ova).

4 (b) "Male" means an individual of the sex characterized by a
5 reproductive system with the biological function of producing
6 sperm.

7 (c) "Sex" means an individual's immutable biological
8 classification as male or female.

9 (2) If the state budget director finds that a community
10 college has not complied with this section, the state budget
11 director is authorized to withhold 5% of the monthly operations
12 installments provided to that community college under section 201
13 until the state budget director finds that the community college
14 has complied with this section.

15 Sec. 217h. Each community college that receives an
16 appropriation in section 201 shall post a list of all employees who
17 work remotely, including the employee's title and salary, to the
18 institution's website.

19 Sec. 217i. (1) Each community college that receives an
20 appropriation in section 201 shall not have any common area spaces
21 that are restricted by sex or race. A community college shall not
22 have any public ceremonies or gatherings that are restricted by sex
23 or race.

24 (2) If the state budget director finds that a community
25 college has not complied with this section, the state budget
26 director is authorized to withhold 5% of the monthly operations
27 installments provided to that community college under section 201
28 until the state budget director finds that the community college
29 has complied with this section.



Sec. 222. Each community college shall have an annual audit of all income and expenditures performed by an independent auditor and shall furnish the independent auditor's management letter and an annual audited accounting of all general and current funds income and expenditures including audits of college foundations to the center before November 15 of each year. The center shall provide this information to members of the senate and house appropriations subcommittees on community colleges, the senate and house fiscal agencies, the auditor general, the department of labor and economic opportunity, the department of lifelong education, advancement, and potential, and the state budget director. If a community college fails to furnish the audit materials, the monthly state ~~aid~~ **operations** installments must be withheld from that college until the information is submitted. All reporting must conform to the requirements set forth in the "2001 Manual for Uniform Financial Reporting, Michigan Public Community Colleges". A community college shall make the information the community college is required to provide under this section available to the public on its website.

Sec. 229a. Included in the fiscal year ~~2024-2025~~ **2025-2026** appropriations for the department of technology, management, and budget are appropriations totaling ~~\$33,481,600.00~~ **\$38,032,600.00** 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, ~~\$858,200.00~~ **\$855,000.00.**

(b) Bay de Noc Community College, ~~\$516,900.00~~ **\$515,000.00.**



1 (c) Delta College, ~~\$2,696,900.00~~. **\$2,346,000.00.**
 2 (d) Glen Oaks Community College, ~~\$381,400.00~~. **\$380,000.00.**
 3 (e) Gogebic Community College, ~~\$56,200.00~~. **\$56,000.00.**
 4 (f) Grand Rapids Community College,
 5 ~~\$1,090,000.00~~. **\$2,346,000.00.**
 6 (g) Henry Ford College, ~~\$1,570,600.00~~. **\$1,505,000.00.**
 7 (h) Jackson College, ~~\$2,051,500.00~~. **\$2,044,000.00.**
 8 (i) Kalamazoo Valley Community College,
 9 ~~\$1,949,100.00~~. **\$1,942,000.00.**
 10 (j) Kellogg Community College, ~~\$681,500.00~~. **\$679,000.00.**
 11 (k) Kirtland Community College, ~~\$225,800.00~~. **\$225,000.00.**
 12 (l) Lake Michigan College, ~~\$969,600.00~~. **\$966,000.00.**
 13 (m) Lansing Community College, ~~\$759,800.00~~. **\$757,000.00.**
 14 (n) Macomb Community College, ~~\$2,847,000.00~~. **\$4,682,200.00.**
 15 (o) Mid Michigan Community College,
 16 ~~\$1,620,900.00~~. **\$1,615,000.00.**
 17 (p) Monroe County Community College,
 18 ~~\$1,545,700.00~~. **\$1,540,000.00.**
 19 (q) Montcalm Community College, ~~\$447,600.00~~. **\$446,000.00.**
 20 (r) C.S. Mott Community College, ~~\$2,110,700.00~~. **\$3,103,000.00.**
 21 (s) Muskegon Community College, ~~\$985,600.00~~. **\$982,000.00.**
 22 (t) North Central Michigan College, ~~\$648,400.00~~. **\$646,000.00.**
 23 (u) Northwestern Michigan College,
 24 ~~\$1,793,600.00~~. **\$1,787,000.00.**
 25 (v) Oakland Community College, \$0.00.
 26 (w) Schoolcraft College, ~~\$2,240,200.00~~. **\$2,232,000.00.**
 27 (x) Southwestern Michigan College, ~~\$825,500.00~~. **\$822,500.00.**
 28 (y) St. Clair County Community College,
 29 ~~\$720,600.00~~. **\$718,000.00.**

(z) Washtenaw Community College, ~~\$1,682,300.00~~ **\$1,676,000.00.**

(aa) Wayne County Community College,
~~\$1,467,500.00~~ **\$1,895,800.00.**

(bb) West Shore Community College, ~~\$738,500.00~~ **\$736,000.00.**

Sec. 230. (1) Subject to subsection (4), money included in the appropriations for community college operations under section 201(2) for performance funding ~~and under section 201f for 1-time performance funding payments~~ is distributed based on the following formula:

(a) Allocated proportionate to fiscal year ~~2023-2024~~ **2024-2025** 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, 30%.

(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%.

(2) Money included in the appropriations for community college operations under section 201(2) for local strategic value is



1 allocated only to each community college that certifies to the
 2 state budget director, through a board of trustees resolution on or
 3 before October 15, ~~2024~~, **2025**, that the college has met 4 out of 5
 4 best practices listed in each ~~category of Categories A and B, and 2~~
 5 **out of 3 best practices listed in Category C**, described in
 6 subsection (3). The resolution must provide specifics as to how the
 7 community college meets each best practice measure within each
 8 category. One-third of funding available under the strategic value
 9 component is allocated to each category described in subsection
 10 (3). Amounts distributed under local strategic value must be on a
 11 proportionate basis to each college's fiscal year ~~2023-2024~~ **2024-**
 12 **2025** operations funding. Payments to community colleges that
 13 qualify for local strategic value funding must be distributed with
 14 the November installment payment described in section 206.

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

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

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

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

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

28 (iv) The community college supports technological advancement
 29 through industry partnerships, incubation activities, or operation



1 of a Michigan technical education center or other advanced
2 technology center.

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

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

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

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

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

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

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

29 (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.~~

~~(i)~~ ~~(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.

~~(ii)~~ ~~(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.

~~(iii)~~ ~~(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) ~~and for 1-time performance funding payments under section 201f~~ must 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 ~~and 1-time performance funding~~ until a community college is in compliance with

1 this subsection.

2 Enacting section 1. In accordance with section 30 of article
3 IX of the state constitution of 1963, total state spending from
4 state sources for community colleges for fiscal year 2025-2026
5 under article II of the state school aid act of 1979, 1979 PA 94,
6 MCL 388.1801 to 388.1830, as amended by this amendatory act, is
7 estimated at \$456,652,500.00 and the amount of that state spending
8 from state sources to be paid to local units of government for
9 fiscal year 2025-2026 is estimated at \$456,652,500.00.

10 Enacting section 2. Sections 201f, 201g, 201h, 205, 216e,
11 217c, and 226e of the state school aid act of 1979, 1979 PA 94, MCL
12 388.1801f, 388.1801g, 388.1801h, 388.1805, 388.1816e, 388.1817c,
13 and 388.1826e, are repealed effective October 1, 2025.

14 Enacting section 3. This amendatory act takes effect October
15 1, 2025.

