

**SUBSTITUTE FOR  
HOUSE BILL NO. 5504**

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 201, 205, 206, 207a, 207b, 207c, 216c, 217, 217b, 222, 223, 229, 229a, and 230 (MCL 388.1801, 388.1805, 388.1806, 388.1807a, 388.1807b, 388.1807c, 388.1816c, 388.1817, 388.1817b, 388.1822, 388.1823, 388.1829, 388.1829a, and 388.1830), section 201 as amended by 2023 PA 320, sections 205 and 217 as amended by 2020 PA 165, sections 206, 207a, 207b, 207c, 223, 229a, and 230 as amended and sections 216c and 217b as added by 2023 PA 103, section 222 as amended by 2021 PA 86, and section 229 as amended by 2022 PA 144; 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

1 article, the amounts listed in this section are appropriated for  
 2 community colleges for the fiscal year ending September 30, 2024,  
 3 2025, from the funds indicated in this section. The following is a  
 4 summary of the appropriations in this section:

5 (a) The gross appropriation is ~~\$549,517,500.00.~~  
 6 **\$468,811,200.00.** After deducting total interdepartmental grants and  
 7 intradepartmental transfers in the amount of \$0.00, the adjusted  
 8 gross appropriation is ~~\$549,517,500.00.~~**\$468,811,200.00.**

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

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

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

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

14 (iv) Total other state restricted revenues,  
 15 ~~\$549,517,500.00.~~**\$468,811,200.00.**

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

17 (2) Subject to subsection (3), the amount appropriated for  
 18 community college operations is ~~\$357,961,900.00,~~**\$369,822,100.00,**  
 19 allocated as follows:

20 (a) The appropriation for Alpena Community College is  
 21 ~~\$6,327,100.00, \$6,026,800.00 for operations, \$273,800.00 for~~  
 22 ~~performance funding, and \$26,500.00 for costs incurred under the~~  
 23 ~~North American Indian tuition waiver.~~**\$6,548,900.00, \$6,300,600.00**  
 24 **for operations, \$226,500.00 for performance funding, and \$21,800.00**  
 25 **for costs incurred under the North American Indian tuition waiver.**

26 (b) The appropriation for Bay de Noc Community College is  
 27 ~~\$6,299,200.00, \$5,877,000.00 for operations, \$308,300.00 for~~  
 28 ~~performance funding, and \$113,900.00 for costs incurred under the~~  
 29 ~~North American Indian tuition waiver.~~**\$6,534,000.00, \$6,185,300.00**

1 for operations, \$248,700.00 for performance funding, and  
2 \$100,000.00 for costs incurred under the North American Indian  
3 tuition waiver.

4 (c) The appropriation for Delta College is ~~\$16,690,500.00,~~  
5 ~~\$15,888,200.00 for operations, \$754,100.00 for performance funding,~~  
6 ~~and \$48,200.00 for costs incurred under the North American Indian~~  
7 ~~tuition waiver.~~ \$17,197,000.00, \$16,642,300.00 for operations,  
8 \$529,900.00 for performance funding, and \$24,800.00 for costs  
9 incurred under the North American Indian tuition waiver.

10 (d) The appropriation for Glen Oaks Community College is  
11 ~~\$2,939,000.00, \$2,802,100.00 for operations, \$136,900.00 for~~  
12 ~~performance funding, and \$0.00 for costs incurred under the North~~  
13 ~~American Indian tuition waiver.~~ \$3,040,000.00, \$2,939,000.00 for  
14 operations, \$99,200.00 for performance funding, and \$1,800.00 for  
15 costs incurred under the North American Indian tuition waiver.

16 (e) The appropriation for Gogebic Community College is  
17 ~~\$5,367,600.00, \$5,103,300.00 for operations, \$226,400.00 for~~  
18 ~~performance funding, and \$37,900.00 for costs incurred under the~~  
19 ~~North American Indian tuition waiver.~~ \$5,530,900.00, \$5,329,700.00  
20 for operations, \$152,800.00 for performance funding, and \$48,400.00  
21 for costs incurred under the North American Indian tuition waiver.

22 (f) The appropriation for Grand Rapids Community College is  
23 ~~\$20,966,400.00, \$19,766,200.00 for operations, \$1,078,200.00 for~~  
24 ~~performance funding, and \$122,000.00 for costs incurred under the~~  
25 ~~North American Indian tuition waiver.~~ \$21,705,200.00, \$20,844,400.00  
26 for operations, \$749,700.00 for performance funding, and  
27 \$111,100.00 for costs incurred under the North American Indian  
28 tuition waiver.

29 (g) The appropriation for Henry Ford College is

1 ~~\$24,943,900.00, \$23,700,100.00 for operations, \$1,229,700.00 for~~  
 2 ~~performance funding, and \$14,100.00 for costs incurred under the~~  
 3 ~~North American Indian tuition waiver.~~ **\$25,754,700.00, \$24,929,800.00**  
 4 **for operations, \$818,500.00 for performance funding, and \$6,400.00**  
 5 **for costs incurred under the North American Indian tuition waiver.**

6 (h) The appropriation for Jackson College is ~~\$13,887,400.00,~~  
 7 ~~\$13,295,100.00 for operations, \$559,000.00 for performance funding,~~  
 8 ~~and \$33,300.00 for costs incurred under the North American Indian~~  
 9 ~~tuition waiver.~~ **\$14,290,400.00, \$13,854,100.00 for operations,**  
 10 **\$394,000.00 for performance funding, and \$42,300.00 for costs**  
 11 **incurred under the North American Indian tuition waiver.**

12 (i) The appropriation for Kalamazoo Valley Community College  
 13 is ~~\$14,539,400.00, \$13,776,100.00 for operations, \$705,800.00 for~~  
 14 ~~performance funding, and \$57,500.00 for costs incurred under the~~  
 15 ~~North American Indian tuition waiver.~~ **\$15,010,000.00, \$14,481,900.00**  
 16 **for operations, \$490,900.00 for performance funding, and \$37,200.00**  
 17 **for costs incurred under the North American Indian tuition waiver.**

18 (j) The appropriation for Kellogg Community College is  
 19 ~~\$11,290,200.00, \$10,754,400.00 for operations, \$514,800.00 for~~  
 20 ~~performance funding, and \$21,000.00 for costs incurred under the~~  
 21 ~~North American Indian tuition waiver.~~ **\$11,652,200.00, \$11,269,200.00**  
 22 **for operations, \$347,600.00 for performance funding, and \$35,400.00**  
 23 **for costs incurred under the North American Indian tuition waiver.**

24 (k) The appropriation for Kirtland Community College is  
 25 ~~\$3,792,900.00, \$3,577,900.00 for operations, \$195,200.00 for~~  
 26 ~~performance funding, and \$19,800.00 for costs incurred under the~~  
 27 ~~North American Indian tuition waiver.~~ **\$3,935,700.00, \$3,773,100.00**  
 28 **for operations, \$136,800.00 for performance funding, and \$25,800.00**  
 29 **for costs incurred under the North American Indian tuition waiver.**

1           (l) The appropriation for Lake Michigan College is  
 2 ~~\$6,321,600.00, \$5,978,400.00 for operations, \$339,600.00 for~~  
 3 ~~performance funding, and \$3,600.00 for costs incurred under the~~  
 4 ~~North American Indian tuition waiver.~~**\$6,523,000.00, \$6,318,000.00**  
 5 **for operations, \$199,000.00 for performance funding, and \$6,000.00**  
 6 **for costs incurred under the North American Indian tuition waiver.**

7           (m) The appropriation for Lansing Community College is  
 8 ~~\$35,752,700.00, \$34,228,900.00 for operations, \$1,460,300.00 for~~  
 9 ~~performance funding, and \$63,500.00 for costs incurred under the~~  
 10 ~~North American Indian tuition waiver.~~**\$36,752,900.00, \$35,689,200.00**  
 11 **for operations, \$982,500.00 for performance funding, and \$81,200.00**  
 12 **for costs incurred under the North American Indian tuition waiver.**

13           (n) The appropriation for Macomb Community College is  
 14 ~~\$37,661,900.00, \$35,911,900.00 for operations, \$1,723,500.00 for~~  
 15 ~~performance funding, and \$26,500.00 for costs incurred under the~~  
 16 ~~North American Indian tuition waiver.~~**\$38,818,100.00, \$37,635,400.00**  
 17 **for operations, \$1,159,000.00 for performance funding, and**  
 18 **\$23,700.00 for costs incurred under the North American Indian**  
 19 **tuition waiver.**

20           (o) The appropriation for Mid Michigan Community College is  
 21 ~~\$5,798,500.00, \$5,458,100.00 for operations, \$284,800.00 for~~  
 22 ~~performance funding, and \$55,600.00 for costs incurred under the~~  
 23 ~~North American Indian tuition waiver.~~**\$6,025,900.00, \$5,742,900.00**  
 24 **for operations, \$207,500.00 for performance funding, and \$75,500.00**  
 25 **for costs incurred under the North American Indian tuition waiver.**

26           (p) The appropriation for Monroe County Community College is  
 27 ~~\$5,286,800.00, \$5,003,600.00 for operations, \$281,100.00 for~~  
 28 ~~performance funding, and \$2,100.00 for costs incurred under the~~  
 29 ~~North American Indian tuition waiver.~~**\$5,471,400.00, \$5,284,700.00**

1 for operations, \$184,900.00 for performance funding, and \$1,800.00  
 2 for costs incurred under the North American Indian tuition waiver.

3 (q) The appropriation for Montcalm Community College is  
 4 ~~\$3,966,700.00, \$3,758,900.00 for operations, \$198,300.00 for~~  
 5 ~~performance funding, and \$9,500.00 for costs incurred under the~~  
 6 ~~North American Indian tuition waiver.~~**\$4,127,100.00, \$3,957,200.00**  
 7 **for operations, \$168,000.00 for performance funding, and \$1,900.00**  
 8 **for costs incurred under the North American Indian tuition waiver.**

9 (r) The appropriation for C.S. Mott Community College is  
 10 ~~\$17,823,200.00, \$17,098,300.00 for operations, \$693,400.00 for~~  
 11 ~~performance funding, and \$31,500.00 for costs incurred under the~~  
 12 ~~North American Indian tuition waiver.~~**\$18,296,400.00, \$17,791,700.00**  
 13 **for operations, \$498,900.00 for performance funding, and \$5,800.00**  
 14 **for costs incurred under the North American Indian tuition waiver.**

15 (s) The appropriation for Muskegon Community College is  
 16 ~~\$10,223,600.00, \$9,733,400.00 for operations, \$477,500.00 for~~  
 17 ~~performance funding, and \$12,700.00 for costs incurred under the~~  
 18 ~~North American Indian tuition waiver.~~**\$10,561,000.00, \$10,210,900.00**  
 19 **for operations, \$328,800.00 for performance funding, and \$21,300.00**  
 20 **for costs incurred under the North American Indian tuition waiver.**

21 (t) The appropriation for North Central Michigan College is  
 22 ~~\$4,011,000.00, \$3,615,900.00 for operations, \$252,900.00 for~~  
 23 ~~performance funding, and \$142,200.00 for costs incurred under the~~  
 24 ~~North American Indian tuition waiver.~~**\$4,205,400.00, \$3,868,800.00**  
 25 **for operations, \$174,100.00 for performance funding, and**  
 26 **\$162,500.00 for costs incurred under the North American Indian**  
 27 **tuition waiver.**

28 (u) The appropriation for Northwestern Michigan College is  
 29 ~~\$10,650,300.00, \$10,006,800.00 for operations, \$466,500.00 for~~

1 ~~performance funding, and \$177,000.00 for costs incurred under the~~  
2 ~~North American Indian tuition waiver.~~**\$10,993,400.00, \$10,473,300.00**  
3 **for operations, \$323,300.00 for performance funding, and**  
4 **\$196,800.00 for costs incurred under the North American Indian**  
5 **tuition waiver.**

6 (v) The appropriation for Oakland Community College is  
7 ~~\$24,755,900.00, \$23,469,500.00 for operations, \$1,264,100.00 for~~  
8 ~~performance funding, and \$22,300.00 for costs incurred under the~~  
9 ~~North American Indian tuition waiver.~~**\$25,642,200.00, \$24,733,600.00**  
10 **for operations, \$874,800.00 for performance funding, and \$33,800.00**  
11 **for costs incurred under the North American Indian tuition waiver.**

12 (w) The appropriation for Schoolcraft College is  
13 ~~\$14,742,500.00, \$13,939,500.00 for operations, \$772,300.00 for~~  
14 ~~performance funding, and \$30,700.00 for costs incurred under the~~  
15 ~~North American Indian tuition waiver.~~**\$15,306,900.00, \$14,711,800.00**  
16 **for operations, \$574,100.00 for performance funding, and \$21,000.00**  
17 **for costs incurred under the North American Indian tuition waiver.**

18 (x) The appropriation for Southwestern Michigan College is  
19 ~~\$7,695,500.00, \$7,332,800.00 for operations, \$350,000.00 for~~  
20 ~~performance funding, and \$12,700.00 for costs incurred under the~~  
21 ~~North American Indian tuition waiver.~~**\$7,941,400.00, \$7,682,800.00**  
22 **for operations, \$229,100.00 for performance funding, and \$29,500.00**  
23 **for costs incurred under the North American Indian tuition waiver.**

24 (y) The appropriation for St. Clair County Community College  
25 is ~~\$8,226,400.00, \$7,786,600.00 for operations, \$423,800.00 for~~  
26 ~~performance funding, and \$16,000.00 for costs incurred under the~~  
27 ~~North American Indian tuition waiver.~~**\$8,525,000.00, \$8,210,400.00**  
28 **for operations, \$290,500.00 for performance funding, and \$24,100.00**  
29 **for costs incurred under the North American Indian tuition waiver.**

1 (z) The appropriation for Washtenaw Community College is  
 2 ~~\$15,938,200.00, \$14,851,300.00 for operations, \$1,074,200.00 for~~  
 3 ~~performance funding, and \$12,700.00 for costs incurred under the~~  
 4 ~~North American Indian tuition waiver.~~ **\$16,682,300.00, \$15,925,500.00**  
 5 **for operations, \$732,200.00 for performance funding, and \$24,600.00**  
 6 **for costs incurred under the North American Indian tuition waiver.**

7 (aa) The appropriation for Wayne County Community College is  
 8 ~~\$19,197,900.00, \$18,376,100.00 for operations, \$817,200.00 for~~  
 9 ~~performance funding, and \$4,600.00 for costs incurred under the~~  
 10 ~~North American Indian tuition waiver.~~ **\$19,786,900.00, \$19,193,300.00**  
 11 **for operations, \$589,200.00 for performance funding, and \$4,400.00**  
 12 **for costs incurred under the North American Indian tuition waiver.**

13 (bb) The appropriation for West Shore Community College is  
 14 ~~\$2,865,600.00, \$2,721,000.00 for operations, \$130,200.00 for~~  
 15 ~~performance funding, and \$14,400.00 for costs incurred under the~~  
 16 ~~North American Indian tuition waiver.~~ **\$2,963,800.00, \$2,851,200.00**  
 17 **for operations, \$100,600.00 for performance funding, and \$12,000.00**  
 18 **for costs incurred under the North American Indian tuition waiver.**

19 (3) The amount appropriated in subsection (2) for community  
 20 college operations is ~~\$357,961,900.00~~ **\$369,822,100.00** and is  
 21 appropriated from the state school aid fund.

22 (4) From the appropriations described in subsection (1), ~~both~~  
 23 **all** of the following apply:

24 (a) Subject to section 207a, the amount appropriated for  
 25 fiscal year ~~2023-2024~~ **2024-2025** to offset certain fiscal year ~~2023-~~  
 26 ~~2024-2025~~ retirement contributions is \$7,189,000.00,  
 27 appropriated from the state school aid fund.

28 (b) ~~For~~ **Subject to section 207a, for** fiscal year ~~2023-2024,~~  
 29 **2024-2025,** there is allocated an amount not to exceed



1 ~~\$23,000,000.00~~ **\$21,800,000.00** for payments to participating  
 2 community colleges, appropriated from the state school aid fund. A  
 3 community college that receives money under this subdivision shall  
 4 use that money solely for the purpose of offsetting the normal cost  
 5 contribution rate.

6 **(c) Subject to section 207a, for fiscal year 2024-2025, there**  
 7 **is allocated an amount not to exceed \$5,700,000.00 for payments to**  
 8 **participating community colleges to lower the employer payroll**  
 9 **contribution cap, appropriated from the state school aid fund.**

10 (5) From the appropriations described in subsection (1),  
 11 subject to section 207b, the amount appropriated for payments to  
 12 community colleges that are participating entities of the  
 13 retirement system is ~~\$105,800,000.00,~~ **\$62,100,000.00**, appropriated  
 14 from the state school aid fund.

15 (6) From the appropriations described in subsection (1),  
 16 subject to section 207c, the amount appropriated for renaissance  
 17 zone tax reimbursements is \$2,200,000.00, appropriated from the  
 18 state school aid fund. Each community college receiving funds in  
 19 this subsection shall accrue these payments to its institutional  
 20 fiscal year ending June 30, ~~2024-2025~~.

21 ~~(7) For fiscal year 2023-2024 only, from the appropriations~~  
 22 ~~described in subsection (1), the amount appropriated for career and~~  
 23 ~~education navigators for adult learners is \$5,000,000.00,~~  
 24 ~~appropriated from the state school aid fund. Community colleges,~~  
 25 ~~partnering with 1 or more county governments, where practicable,~~  
 26 ~~may apply for grant funding through the Office of Sixty by 30 in~~  
 27 ~~the department of labor and economic opportunity to supplement or~~  
 28 ~~create navigation efforts of adult learners. The Office of Sixty by~~  
 29 ~~30 shall issue a report including, but not limited to, the number~~

1 ~~of grants awarded, a list of community colleges awarded grants and~~  
 2 ~~the amounts, and the amount of unexpended funds remaining at the~~  
 3 ~~end of the fiscal year. The report must be issued to the house and~~  
 4 ~~senate appropriations subcommittees on community colleges, the~~  
 5 ~~house and senate fiscal agencies, and the state budget director by~~  
 6 ~~September 30, 2024.~~

7 ~~(8) For fiscal year 2023-2024 only, from the appropriations~~  
 8 ~~described in subsection (1), the amount appropriated for the~~  
 9 ~~Michigan Reconnect Entry Point Program is \$5,000,000.00,~~  
 10 ~~appropriated from the state school aid fund. Community colleges,~~  
 11 ~~partnering with 1 or more county governments, where practicable,~~  
 12 ~~may apply for grant funding through the Office of Sixty by 30 in~~  
 13 ~~the department of labor and economic opportunity to engage Michigan~~  
 14 ~~reconnect grant applicants who have been approved for funding but~~  
 15 ~~have not enrolled in a postsecondary or eligible Michigan reconnect~~  
 16 ~~program and work to identify and resolve barriers preventing~~  
 17 ~~enrollment. The Office of Sixty by 30 shall issue a report~~  
 18 ~~including, but not limited to, the number of grants awarded, a list~~  
 19 ~~of community colleges awarded grants and the amounts, a list of any~~  
 20 ~~counties that partnered with a community college for a grant under~~  
 21 ~~this section, and the amount of unexpended funds remaining at the~~  
 22 ~~end of the fiscal year. The report must be issued to the house and~~  
 23 ~~senate appropriations subcommittees on community colleges, the~~  
 24 ~~house and senate fiscal agencies, and the state budget director by~~  
 25 ~~September 30, 2024.~~

26 ~~(7) (9) For fiscal year 2023-2024-2024-2025 only, from the~~  
 27 ~~appropriations described in subsection (1), subject to sections~~  
 28 **section** ~~216c, and 216d,~~ the amount appropriated for infrastructure,  
 29 technology, equipment, maintenance, housing, and safety is

1 ~~\$32,836,600.00, \$100.00~~, appropriated from the state school aid  
2 fund.

3 ~~(10) For fiscal year 2023-2024 only, from the appropriations~~  
4 ~~described in subsection (1), \$5,000,000.00 is appropriated from the~~  
5 ~~state school aid fund for critical incident mapping. These funds~~  
6 ~~must be distributed to community colleges proportionately to the~~  
7 ~~amounts in subsection (2) for operations.~~

8 ~~(11) From the appropriations described in subsection (1), the~~  
9 ~~amount appropriated for Michigan workforce development projects is~~  
10 ~~\$530,000.00, appropriated from the state school aid fund. These~~  
11 ~~funds must be awarded to Kalamazoo Valley Community College, and~~  
12 ~~must be used by that college in conjunction with the college's wind~~  
13 ~~turbine program for curriculum development for programs in 1 or~~  
14 ~~more of the following areas:~~

15 ~~(a) Electric vehicle battery installation and repair.~~

16 ~~(b) Electric vehicle charger installation for residential~~  
17 ~~applications, commercial applications, or both.~~

18 ~~(c) Residential and community scale solar panel installation,~~  
19 ~~maintenance, and repair.~~

20 ~~(12) For fiscal year 2023-2024 only, from the appropriations~~  
21 ~~described in subsection (1), \$5,000,000.00 is appropriated from the~~  
22 ~~state school aid fund to Washtenaw Community College for costs~~  
23 ~~related to the college's involvement with a semiconductor research~~  
24 ~~alliance.~~

25 Sec. 205. To the extent possible, the principal executive  
26 officer of each community college that receives appropriations in  
27 section 201 shall take all reasonable steps to ensure ~~businesses in~~  
28 ~~deprived and depressed communities~~ **that geographically**  
29 **disadvantaged business enterprises** compete for and perform

1 contracts to provide services or supplies, or both. Each principal  
 2 executive officer shall strongly encourage businesses with which  
 3 the community college contracts to subcontract with certified  
 4 ~~businesses in depressed and deprived communities~~ **geographically**  
 5 **disadvantaged business enterprises** for services or supplies, or  
 6 both. **As used in this section, "geographically disadvantaged**  
 7 **business enterprises" means that term as defined in Executive**  
 8 **Directive 2023-1.**

9       Sec. 206. (1) Except for the funds appropriated in section  
 10 201(4)(b), the funds appropriated in section 201 are appropriated  
 11 for community colleges with fiscal years ending June 30, ~~2024-2025~~  
 12 and must be paid out of the state treasury and distributed by the  
 13 state treasurer to the respective community colleges in 11 monthly  
 14 installments on the sixteenth of each month, or the next succeeding  
 15 business day, beginning with October 16, ~~2023-2024~~. Each community  
 16 college shall accrue its July and August ~~2024-2025~~ payments to its  
 17 institutional fiscal year ending June 30, ~~2024-2025~~.

18       (2) The funds appropriated in section 201(4)(b) are  
 19 appropriated for community colleges with fiscal years ending June  
 20 30, ~~2024-2025~~ and must be distributed to the respective community  
 21 colleges in quarterly installments on the sixteenth of each  
 22 November, February, May, and August. Each community college shall  
 23 accrue its August ~~2024-2025~~ payments to its institutional fiscal  
 24 year ending June 30, ~~2024-2025~~.

25       Sec. 207a. The following apply to the allocation of the fiscal  
 26 year ~~2023-2024-2024-2025~~ appropriations described in section  
 27 201(4):

28       (a) A community college that receives money under section  
 29 201(4) shall use that money solely for the purpose of offsetting a

1 portion of the retirement contributions owed by the college for  
2 that fiscal year.

3 (b) The ~~amount~~**amounts** allocated to each participating  
4 community college under section 201(4) (a) **and (c)** must be based on  
5 each college's percentage of the total covered payroll for all  
6 community colleges that are participating colleges in the  
7 immediately preceding fiscal year.

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

11 Sec. 207b. All of the following apply to the allocation of the  
12 fiscal year ~~2023-2024~~**2024-2025** appropriations described in section  
13 201(5) for payments to community colleges that are participating  
14 entities of the retirement system:

15 (a) The amount of a payment under section 201(5) must be the  
16 difference between the unfunded actuarial accrued liability  
17 contribution rate as calculated under section 41 of the public  
18 school employees retirement act of 1979, 1980 PA 300, MCL 38.1341,  
19 as calculated without taking into account the maximum employer rate  
20 of 20.96% included in section 41 of the public school employees  
21 retirement act of 1979, 1980 PA 300, MCL 38.1341, and the maximum  
22 employer rate of 20.96% under section 41 of the public school  
23 employees retirement act of 1979, 1980 PA 300, MCL 38.1341.

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

1 under section 201(5).

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

6 Sec. 207c. All of the following apply to the allocation of the  
7 appropriations described in section 201(6) to community colleges  
8 described in section 12(3) of the Michigan renaissance zone act,  
9 1996 PA 376, MCL 125.2692:

10 (a) The amount allocated to each community college under  
11 section 201(6) for fiscal year ~~2023-2024~~**2024-2025** must be based on  
12 that community college's proportion of total revenue lost by  
13 community colleges as a result of the exemption of property taxes  
14 levied in ~~2023-2024~~ under the Michigan renaissance zone act, 1996  
15 PA 376, MCL 125.2681 to 125.2696.

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

22 Sec. 216c. (1) Funds appropriated in section ~~201(9)~~**201(7)** for  
23 infrastructure, technology, equipment, maintenance, housing, and  
24 safety are intended to be used for necessary improvements and  
25 deferred maintenance of community college buildings, facilities,  
26 and other physical infrastructure; necessary improvements and  
27 deferred maintenance of information technology, other technology  
28 infrastructure, and other equipment; and other purposes related to  
29 infrastructure, technology, equipment, and maintenance. A community

1 college may also use these funds to construct, renovate, or  
 2 purchase student housing or to upgrade safety and security  
 3 infrastructure. These funds are not intended to be used for any  
 4 other purpose than what is specified in this section.

5 ~~(2) To receive funds under this section, a community college~~  
 6 ~~must certify to the state budget director by January 1, 2024 that~~  
 7 ~~it did not receive an appropriation for a planning or construction~~  
 8 ~~authorization for a capital outlay project between January 1, 2023~~  
 9 ~~and December 15, 2023.~~

10 **(2)** ~~(3)~~ Funds appropriated in section ~~201(9)~~ **201(7)** are  
 11 distributed to each community college that ~~certified it did not~~  
 12 ~~receive a capital outlay appropriation under subsection (2).~~  
 13 **receives appropriations in section 201.** The payment for each  
 14 college must be calculated based on each college's respective share  
 15 of total fiscal year equated students as reported to the Michigan  
 16 community college data inventory for the fiscal year ending  
 17 ~~September 30, 2022 for all community colleges that receive a~~  
 18 ~~payment under this section.~~ **2023.** Payments to community colleges  
 19 under this section must be distributed in 1 lump sum to each  
 20 institution with the January 16, ~~2024~~ **2025** payment described in  
 21 section 206(1).

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

23 (a) Establish, maintain, and coordinate the state community  
 24 college database commonly known as the "Michigan Community College  
 25 Data Inventory".

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

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

1 (d) Develop model data collection policies, including, but not  
2 limited to, policies that ensure the privacy of any individual  
3 student data. Privacy policies ~~shall~~**must** ensure that student  
4 Social Security numbers are not released to the public for any  
5 purpose.

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

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

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

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

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

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

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

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



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

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

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

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

11 (3) The Michigan Community College Data Inventory advisory  
12 committee created in subsection (2) ~~shall consist~~ **consists** of the  
13 following members:

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

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

18 (c) One representative from the department of labor and  
19 economic opportunity, appointed by the director of the department  
20 of labor and economic opportunity.

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

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

25 **(f) One representative from the department of lifelong**  
26 **education, advancement, and potential, appointed by the director of**  
27 **the department of lifelong education, advancement, and potential.**

28 **(g) ~~(f)~~—One representative from the governor's policy office,**  
29 **appointed by that office.**

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

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

19           (2) Each community college that receives an appropriation in  
 20 section 201 shall certify to the state budget director by the last  
 21 business day of August that its board will not adopt an increase in  
 22 tuition and fee rates for in-district students for the ~~2023-2024~~  
 23 **2024-2025** academic year that is greater than 4.5% or ~~\$205.00,~~  
 24 **\$217.00**, whichever is greater. As used in this subsection:

25           (a) "Fee" means any board-authorized fee that will be paid by  
 26 more than 1/2 of all in-district students at least once during  
 27 their enrollment at a community college. A community college  
 28 increasing a fee that applies to a specific subset of students or  
 29 courses shall provide sufficient information to prove that the

1 increase applied to that subset will not cause the increase in the  
 2 average amount of board-authorized total tuition and fees paid by  
 3 in-district students in the ~~2023-2024~~**2024-2025** academic year to  
 4 exceed the limit established in this section.

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

12 (3) Community colleges that exceed the tuition and fee rate  
 13 cap described in subsection (2) are not eligible to receive  
 14 payments under section 201 for performance funding for fiscal year  
 15 ~~2023-2024~~**2024-2025**.

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

21 Sec. 222. Each community college shall have an annual audit of  
 22 all income and expenditures performed by an independent auditor and  
 23 shall furnish the independent auditor's management letter and an  
 24 annual audited accounting of all general and current funds income  
 25 and expenditures including audits of college foundations to the  
 26 center before November 15 of each year. The center shall provide  
 27 this information to members of the senate and house appropriations  
 28 subcommittees on community colleges, the senate and house fiscal  
 29 agencies, the auditor general, the department of ~~labor and economic~~

1 ~~opportunity,~~ **lifelong education, advancement, and potential,** and  
 2 the state budget director. If a community college fails to furnish  
 3 the audit materials, the monthly state aid installments ~~shall~~**must**  
 4 be withheld from that college until the information is submitted.  
 5 All reporting ~~shall~~**must** conform to the requirements set forth in  
 6 the "2001 Manual for Uniform Financial Reporting, Michigan Public  
 7 Community Colleges". A community college shall make the information  
 8 the community college is required to provide under this section  
 9 available to the public on its website.

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

17       (a) The number of waiver applications received and the number  
 18 of waiver applications approved.

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

21       (i) The number of North American Indian students enrolled each  
 22 term for the previous academic year.

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

26       (iii) The number of North American Indian students who receive a  
 27 granted waiver for the previous academic year.

28       (iv) The number of students attending under a North American  
 29 Indian tuition waiver who withdrew from the college each term

1 during the previous academic year. For purposes of this  
 2 subparagraph, a withdrawal occurs when a student who has been  
 3 awarded the waiver withdraws from the institution at any point  
 4 during the term, regardless of enrollment in subsequent terms.

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

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

20 (3) The department of ~~civil rights~~ **lifelong education,**  
 21 **advancement, and potential** may consolidate the report required  
 22 under this section with the report required under section 268, but  
 23 a consolidated report must separately identify data for  
 24 universities and data for community colleges.

25 Sec. 229. (1) Each community college that receives an  
 26 appropriation in section 201 is expected to include in its  
 27 admission application process a specific question as to whether an  
 28 applicant for admission has ever served or is currently serving in  
 29 the United States Armed Forces or is the spouse or dependent of an

1 individual who has served or is currently serving in the United  
2 States Armed Forces, in order to more quickly identify potential  
3 educational assistance available to that applicant.

4 (2) It is expected that each community college that receives  
5 an appropriation in section 201 will work with the house and senate  
6 appropriations subcommittees on community colleges, the Michigan  
7 Community College Association, and veterans groups to review the  
8 issue of in-district tuition for veterans of this state when  
9 determining tuition rates and fees.

10 (3) Each community college that receives an appropriation in  
11 section 201 is expected to provide reasonable programming and  
12 scheduling accommodations necessary to facilitate a student's  
13 military, National Guard, or military reserves duties and training  
14 obligations.

15 (4) Each community college that receives an appropriation in  
16 section 201 is expected to provide college level equivalent credit  
17 examination opportunities for veterans and active members of the  
18 military, National Guard, or military reserves within the first  
19 semester of enrollment.

20 (5) Each community college that receives an appropriation in  
21 section 201 is expected to do all of the following in its admission  
22 application process if it knows that an applicant for admission is  
23 currently serving, or has ever served, as a member of the military,  
24 the National Guard, or the military reserves:

25 (a) Inform the applicant that ~~he or she~~ **the applicant** may  
26 receive academic credit for college-level training and education ~~he~~  
27 ~~or she~~ **the applicant** received while serving in the military.

28 (b) Inform the applicant that ~~he or she~~ **the applicant** may  
29 submit a transcript of ~~his or her~~ **the applicant's** college-level

1 military training and education to the community college.

2 (c) If the applicant submits a transcript described in  
3 subdivision (b), evaluate that transcript and notify the applicant  
4 of what transfer credits are available to the applicant from the  
5 community college for ~~his or her~~ **the applicant's** college-level  
6 military training and education.

7 (6) As used in this section:

8 (a) "Transcript" includes a joint services transcript prepared  
9 for the applicant under the American Council on Education registry  
10 of credit recommendations.

11 (b) "Veteran" means an honorably discharged veteran entitled  
12 to educational assistance under section 5003 of the post-911  
13 veterans educational assistance act of 2008, 38 USC 3301 to 3327.

14 Sec. 229a. Included in the fiscal year ~~2023-2024-2024-2025~~  
15 appropriations for the department of technology, management, and  
16 budget are appropriations totaling ~~\$33,081,600.00~~ **\$33,481,600.00** to  
17 provide funding for the state share of costs for previously  
18 constructed capital projects for community colleges. Those  
19 appropriations for state building authority rent represent  
20 additional state general fund support for community colleges, and  
21 the following is an estimate of the amount of that support to each  
22 community college:

- 23 (a) Alpena Community College, ~~\$886,800.00~~ **\$858,200.00**.
- 24 (b) Bay de Noc Community College, ~~\$522,100.00~~ **\$516,900.00**.
- 25 (c) Delta College, ~~\$2,724,100.00~~ **\$2,696,900.00**.
- 26 (d) Glen Oaks Community College, ~~\$406,500.00~~ **\$381,400.00**.
- 27 (e) Gogebic Community College, ~~\$56,800.00~~ **\$56,200.00**.
- 28 (f) Grand Rapids Community College,  
29 ~~\$1,101,000.00~~ **\$1,090,000.00**.

- 1 (g) Henry Ford College, ~~\$1,178,300.00~~ **\$1,570,600.00.**
- 2 (h) Jackson College, ~~\$2,193,900.00~~ **\$2,051,500.00.**
- 3 (i) Kalamazoo Valley Community College,
- 4 ~~\$1,968,800.00~~ **\$1,949,100.00.**
- 5 (j) Kellogg Community College, ~~\$688,400.00~~ **\$681,500.00.**
- 6 (k) Kirtland Community College, ~~\$228,100.00~~ **\$225,800.00.**
- 7 (l) Lake Michigan College, ~~\$979,300.00~~ **\$969,600.00.**
- 8 (m) Lansing Community College, ~~\$1,156,800.00~~ **\$759,800.00.**
- 9 (n) Macomb Community College, ~~\$1,972,800.00~~ **\$2,847,000.00.**
- 10 (o) Mid Michigan Community College,
- 11 ~~\$1,637,300.00~~ **\$1,620,900.00.**
- 12 (p) Monroe County Community College,
- 13 ~~\$1,561,300.00~~ **\$1,545,700.00.**
- 14 (q) Montcalm Community College, ~~\$452,200.00~~ **\$447,600.00.**
- 15 (r) C.S. Mott Community College, ~~\$2,132,100.00~~ **\$2,110,700.00.**
- 16 (s) Muskegon Community College, ~~\$995,600.00~~ **\$985,600.00.**
- 17 (t) North Central Michigan College, ~~\$654,900.00~~ **\$648,400.00.**
- 18 (u) Northwestern Michigan College, ~~\$1,811,700.00~~
- 19 **\$1,793,600.00.**
- 20 (v) Oakland Community College, \$0.00.
- 21 (w) Schoolcraft College, ~~\$2,262,900.00~~ **\$2,240,200.00.**
- 22 (x) Southwestern Michigan College, ~~\$833,900.00~~ **\$825,500.00.**
- 23 (y) St. Clair County Community College,
- 24 ~~\$727,900.00~~ **\$720,600.00.**
- 25 (z) Washtenaw Community College, ~~\$1,739,800.00~~ **\$1,682,300.00.**
- 26 (aa) Wayne County Community College,
- 27 ~~\$1,482,300.00~~ **\$1,467,500.00.**
- 28 (bb) West Shore Community College, ~~\$746,000.00~~ **\$738,500.00.**
- 29 Sec. 230. (1) Subject to subsection (4), money included in the



1 appropriations for community college operations under section  
2 201(2) for performance funding is distributed based on the  
3 following formula:

4 (a) Allocated proportionate to fiscal year ~~2022-2023~~**2023-2024**  
5 base appropriations, 30%.

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

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

12 (d) Based on the performance completion number as provided for  
13 in the 2016 recommendations of the performance indicators task  
14 force, 10%.

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

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

19 (g) Based on the local strategic value component, as developed  
20 in cooperation with the Michigan Community College Association and  
21 described in subsection (2), 5%.

22 (2) Money included in the appropriations for community college  
23 operations under section 201(2) for local strategic value is  
24 allocated only to each community college that certifies to the  
25 state budget director, through a board of trustees resolution on or  
26 before October 15, ~~2023~~**2024**, that the college has met 4 out of 5  
27 best practices listed in each category described in subsection (3).  
28 The resolution must provide specifics as to how the community  
29 college meets each best practice measure within each category. One-

1 third of funding available under the strategic value component is  
2 allocated to each category described in subsection (3). Amounts  
3 distributed under local strategic value must be on a proportionate  
4 basis to each college's fiscal year ~~2022-2023~~**2023-2024** operations  
5 funding. Payments to community colleges that qualify for local  
6 strategic value funding must be distributed with the November  
7 installment payment described in section 206.

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

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

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

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

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

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

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

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

28 (i) The community college has active partnerships with regional  
29 high schools, intermediate school districts, and career-tech

1 centers to provide instruction through dual enrollment, concurrent  
2 enrollment, direct credit, middle college, or academy programs.

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

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

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

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

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

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

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

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

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

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

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

22           Enacting section 1. In accordance with section 30 of article  
23 IX of the state constitution of 1963, total state spending from  
24 state sources for community colleges for fiscal year 2024-2025  
25 under article II of the state school aid act of 1979, 1979 PA 94,  
26 MCL 388.1801 to 388.1830, as amended by this amendatory act, is  
27 estimated at \$468,811,200.00 and the amount of that state spending  
28 from state sources to be paid to local units of government for  
29 fiscal year 2024-2025 is estimated at \$468,811,200.00.

1           Enacting section 2. Section 216d of the state school aid act  
2 of 1979, 1979 PA 94, MCL 388.1816d, is repealed effective October  
3 1, 2024.

4           Enacting section 3. This amendatory act takes effect October  
5 1, 2024.