

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

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

(11) As used in this section, "responsible entity" means the department, the department of lifelong education, advancement, and potential, a district, an intermediate district, or other person that administers a grant under this article.

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, 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 \$493,032,100.00. After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is \$493,032,100.00.

(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, \$493,032,100.00.

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

(2) Subject to subsection (3), the amount appropriated for community college operations is \$363,570,600.00, allocated as follows:

(a) The appropriation for Alpena Community College is \$6,416,800.00, \$6,403,300.00 for operations, \$0.00 for performance funding, and \$13,500.00 for costs incurred under the North American Indian tuition waiver.

(b) The appropriation for Bay de Noc Community College is \$6,390,000.00, \$6,298,000.00 for operations, \$0.00 for performance funding, and \$92,000.00 for costs incurred under the North American Indian tuition waiver.

(c) The appropriation for Delta College is \$16,934,200.00, \$16,882,400.00 for operations, \$0.00 for performance funding, and \$51,800.00 for costs incurred under the North American Indian tuition waiver.

(d) The appropriation for Glen Oaks Community College is \$2,987,000.00, \$2,984,100.00 for operations, \$0.00 for performance funding, and \$2,900.00 for costs incurred under the North American Indian tuition waiver.

(e) The appropriation for Gogebic Community College is \$5,439,100.00, \$5,399,000.00 for operations, \$0.00 for performance funding, and \$40,100.00 for costs incurred under the North American Indian tuition waiver.

(f) The appropriation for Grand Rapids Community College is \$21,337,300.00, \$21,184,200.00 for operations, \$0.00 for performance funding, and \$153,100.00 for costs incurred under the North American Indian tuition waiver.

(g) The appropriation for Henry Ford College is \$25,305,200.00, \$25,300,700.00 for operations, \$0.00 for performance funding, and \$4,500.00 for costs incurred under the North American Indian tuition waiver.

(h) The appropriation for Jackson College is \$14,059,700.00, \$14,032,600.00 for operations, \$0.00 for performance funding, and \$27,100.00 for costs incurred under the North American Indian tuition waiver.

(i) The appropriation for Kalamazoo Valley Community College is \$14,751,300.00, \$14,704,400.00 for operations, \$0.00 for performance funding, and \$46,900.00 for costs incurred under the North American Indian tuition waiver.

(j) The appropriation for Kellogg Community College is \$11,453,400.00, \$11,426,700.00 for operations, \$0.00 for performance funding, and \$26,700.00 for costs incurred under the North American Indian tuition waiver.

(k) The appropriation for Kirtland Community College is \$3,881,400.00, \$3,835,100.00 for operations, \$0.00 for performance funding, and \$46,300.00 for costs incurred under the North American Indian tuition waiver.

(l) The appropriation for Lake Michigan College is \$6,427,600.00, \$6,408,200.00 for operations, \$0.00 for performance funding, and \$19,400.00 for costs incurred under the North American Indian tuition waiver.

(m) The appropriation for Lansing Community College is \$36,216,500.00, \$36,134,400.00 for operations, \$0.00 for performance funding, and \$82,100.00 for costs incurred under the North American Indian tuition waiver.

(n) The appropriation for Macomb Community College is \$38,251,500.00, \$38,160,600.00 for operations, \$0.00 for performance funding, and \$90,900.00 for costs incurred under the North American Indian tuition waiver.

(o) The appropriation for Mid Michigan Community College is \$5,919,500.00, \$5,837,000.00 for operations, \$0.00 for performance funding, and \$82,500.00 for costs incurred under the North American Indian tuition waiver.

- (p) The appropriation for Monroe County Community College is \$5,368,900.00, \$5,368,500.00 for operations, \$0.00 for performance funding, and \$400.00 for costs incurred under the North American Indian tuition waiver.
- (q) The appropriation for Montcalm Community College is \$4,035,000.00, \$4,033,300.00 for operations, \$0.00 for performance funding, and \$1,700.00 for costs incurred under the North American Indian tuition waiver.
- (r) The appropriation for C.S. Mott Community College is \$18,028,100.00, \$18,017,800.00 for operations, \$0.00 for performance funding, and \$10,300.00 for costs incurred under the North American Indian tuition waiver.
- (s) The appropriation for Muskegon Community College is \$10,403,400.00, \$10,359,900.00 for operations, \$0.00 for performance funding, and \$43,500.00 for costs incurred under the North American Indian tuition waiver.
- (t) The appropriation for North Central Michigan College is \$4,110,100.00, \$3,947,700.00 for operations, \$0.00 for performance funding, and \$162,400.00 for costs incurred under the North American Indian tuition waiver.
- (u) The appropriation for Northwestern Michigan College is \$10,874,500.00, \$10,619,800.00 for operations, \$0.00 for performance funding, and \$254,700.00 for costs incurred under the North American Indian tuition waiver.
- (v) The appropriation for Oakland Community College is \$25,168,400.00, \$25,130,000.00 for operations, \$0.00 for performance funding, and \$38,400.00 for costs incurred under the North American Indian tuition waiver.
- (w) The appropriation for Schoolcraft College is \$14,997,300.00, \$14,972,000.00 for operations, \$0.00 for performance funding, and \$25,300.00 for costs incurred under the North American Indian tuition waiver.
- (x) The appropriation for Southwestern Michigan College is \$7,805,700.00, \$7,786,600.00 for operations, \$0.00 for performance funding, and \$19,100.00 for costs incurred under the North American Indian tuition waiver.
- (y) The appropriation for St. Clair County Community College is \$8,355,300.00, \$8,342,000.00 for operations, \$0.00 for performance funding, and \$13,300.00 for costs incurred under the North American Indian tuition waiver.
- (z) The appropriation for Washtenaw Community College is \$16,276,300.00, \$16,257,300.00 for operations, \$0.00 for performance funding, and \$19,000.00 for costs incurred under the North American Indian tuition waiver.
- (aa) The appropriation for Wayne County Community College is \$19,462,800.00, \$19,460,300.00 for operations, \$0.00 for performance funding, and \$2,500.00 for costs incurred under the North American Indian tuition waiver.
- (bb) The appropriation for West Shore Community College is \$2,914,300.00, \$2,896,700.00 for operations, \$0.00 for performance funding, and \$17,600.00 for costs incurred under the North American Indian tuition waiver.
- (3) The amount appropriated in subsection (2) for community college operations is \$363,570,600.00 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 2025-2026 to offset certain fiscal year 2025-2026 retirement contributions is \$7,189,000.00, appropriated from the state school aid fund.
- (b) For fiscal year 2025-2026, there is allocated an amount not to exceed \$19,600,000.00 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 \$89,500,000.00, 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, 2026.

Sec. 201f. For fiscal year 2025-2026 only, from the appropriations described in section 201(1), \$10,972,500.00 is appropriated from the state school aid fund for a 1-time performance funding payment. Funds appropriated under this section, subject to conditions described in sections 217b and 230, must be distributed as follows:

- (a) Alpena Community College, \$271,100.00.
- (b) Bay de Noc Community College, \$178,200.00.
- (c) Delta College, \$493,300.00.
- (d) Glen Oaks Community College, \$91,200.00.
- (e) Gogebic Community College, \$139,500.00.
- (f) Grand Rapids Community College, \$685,500.00.
- (g) Henry Ford College, \$750,900.00.
- (h) Jackson College, \$364,800.00.
- (i) Kalamazoo Valley Community College, \$433,700.00.
- (j) Kellogg Community College, \$324,400.00.
- (k) Kirtland Community College, \$146,500.00.

- (l) Lake Michigan College, \$192,200.00.
- (m) Lansing Community College, \$924,700.00.
- (n) Macomb Community College, \$1,090,600.00.
- (o) Mid Michigan Community College, \$193,900.00.
- (p) Monroe County Community College, \$206,600.00.
- (q) Montcalm Community College, \$122,300.00.
- (r) C.S. Mott Community College, \$491,700.00.
- (s) Muskegon Community College, \$298,600.00.
- (t) North Central Michigan College, \$144,300.00.
- (u) Northwestern Michigan College, \$289,400.00.
- (v) Oakland Community College, \$816,500.00.
- (w) Schoolcraft College, \$503,200.00.
- (x) Southwestern Michigan College, \$210,400.00.
- (y) St. Clair County Community College, \$258,200.00.
- (z) Washtenaw Community College, \$664,900.00.
- (aa) Wayne County Community College, \$600,900.00.
- (bb) West Shore Community College, \$85,000.00.

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

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

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

(b) Verify to the extent possible that a grant recipient is a not-for-profit entity and will use funds as publicly disclosed and for a public purpose that serves the economic prosperity, health, safety, or general welfare of the residents of this state.

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

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

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

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

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

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

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

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

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

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

(4) If appropriate to improve the administration or oversight of a grant described in subsection (1), the responsible entity may adopt a memorandum of understanding with another state department to perform the required duties under this section.

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

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

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

(8) Except as otherwise provided in subsection (9), beginning March 15 of the current fiscal year, the responsible entity shall post a report in a publicly accessible location on its website. The report must list the grant recipient, project purpose, and location of the project for each grant described in subsection (1), the status of money allocated and disbursed under the grant agreement, and the legislative sponsor, if applicable. The responsible entity shall update the report and post the updated report in a publicly accessible location on its website not later than June 15 of the current fiscal year and again not later than September 15 of the current fiscal year. The responsible entity shall include in the report the most comprehensive information the responsible entity has available at the time of posting for grants awarded.

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

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

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

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, 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, 2025. Each community college shall accrue its July and August 2026 payments to its institutional fiscal year ending June 30, 2026.

(2) The funds appropriated in section 201(4)(b) are appropriated for community colleges with fiscal years ending June 30, 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 2026 payments to its institutional fiscal year ending June 30, 2026.

Sec. 207a. The following apply to the allocation of the 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 appropriation 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, as calculated without taking into account the maximum employer rate of 15.21% included in section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the maximum employer rate of 15.21% under section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341.

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

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

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

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

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

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

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

(3) Community colleges shall collaborate with each other on innovations to identify and meet local employment needs.

(4) Community colleges shall work with universities to develop equivalency standards of core college courses and identify equivalent courses offered by postsecondary institutions.

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

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

(b) The implementation of MiTransfer pathways.

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

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

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

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

(2) Each community college receiving an appropriation under section 201 shall consult with the department of lifelong education, advancement, and potential at least once an academic year on the policies and services the institution implements regarding transfer credits and transfer students.

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

- (a) The institutional best practice described in subdivision (c).
 - (b) One or more of the institutional best practices described in subdivisions (d) to (g).
 - (c) The community college accepts the Michigan Transfer Agreement, partners with the Michigan Transfer Network, and promotes clear transfer pathways for interested students by doing all of the following:
 - (i) Has a policy to help transfer or accept associate degrees from other accredited Michigan postsecondary education institutions.
 - (ii) Publishes the policy described in subparagraph (i) on the institution's website in an easily accessible way and in admissions materials.
 - (iii) Provides publicly available information on the Michigan Transfer Network, applicable transfer pathways, and financial aid available to transfer students, at no cost to the student.
 - (iv) Begins negotiations to increase the number of reverse transfer agreements or articulation agreements and reports on the progress toward completing the agreements to the state budget director by the last business day in February.
 - (d) The community college requires all students to receive an academic degree or certificate map that outlines required course sequencing, program and institution requirements, declared minor program academic requirements, and a recommended timeline within which courses should be taken and in which specific semester or term in order to satisfy all program requirements to allow the student to graduate on time.
 - (e) The community college provides non-credit-bearing developmental or remedial courses at a reduced cost to students.
 - (f) The community college provides each degree- or certificate-seeking student with a designated, trained academic advisor to support student retention, persistence, and completion. The community college shall require students to meet with their academic advisor at least once per semester or term.
 - (g) The community college provides employees during business hours to assist prospective and current students in completing the Free Application for Federal Student Aid.
- (2) 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 institutional best practices 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 higher education and the house and senate fiscal agencies.
- (3) If a community college fails to comply with the certification requirements of this section, the state treasurer may withhold the monthly installments under section 206 to the community college until the certification is completed. If a community college does not comply with the certification requirements described in this section by the end of the fiscal year, the community college forfeits the amount withheld. Forfeited funds must lapse to the state school aid fund. The state budget director shall notify the chairs of the house and senate appropriations subcommittees on higher education at least 10 days before withholding funds from any community college.

Sec. 217a. (1) Each community college that receives an appropriation in section 201 shall submit all of the following information in the form and manner specified by the center:

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

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

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

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

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

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

(3) It is intended that accountability reporting for community colleges will be streamlined through the center. The state budget director and the center shall work to combine the reporting requirements outlined in this subsection with the existing Michigan community colleges verified data inventory collection cycle. All of the following must be reported to the house and senate fiscal agencies and the state budget director:

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

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

(4) No later than the last business day of November of each year, each community college that receives an appropriation in section 201 shall make all of the information described in subdivisions (a) to (g) available through a link on its website homepage, subject to subdivision (h), as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) Each community college that receives an appropriation in section 201 shall certify to the state budget director by the first business day of November of each year that its board will not adopt an increase in tuition and fee rates for in-district students for the academic year that is greater than the tuition restraint described in this subsection. For the academic year 2025-2026, the tuition restraint level is equal to the greater of 4.5% or \$227.00. For the academic year 2026-2027, the tuition restraint level is equal to the greater of 4.0% or \$199.00. 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 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 201f for 1-time performance funding payments for fiscal year 2025-2026. The state budget director shall implement uniform reporting requirements to ensure that a community college receiving a payment under section 201f for 1-time 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. 217c. (1) Not later than December 1 of each year, each community college or federally recognized tribal college that, in the current or previous academic year, serves or has served as an authorizing body shall submit a report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal

agencies, the state budget director, and the department of education containing, at a minimum, all of the following information, as applicable:

- (a) A list of all of the schools currently authorized, and the following information for each school:
 - (i) The year in which the school was authorized.
 - (ii) The location of each school.
 - (iii) The owner of the property at which each school is located and the physical buildings utilized by the school, as applicable.
- (b) A list identifying any schools that were closed or lost their authorization in the current or previous academic year.
- (c) A description of any new contracts for the operation of a public school academy that will operate as the successor to a public school academy that is currently being operated under a contract issued by another authorizing body that is currently performing in the bottom 5% of schools.
- (d) The academic performance of each school currently authorized, including whether a school is identified by the department of education as a partnership school. If a school is identified as a partnership school under this subdivision, the authorizing body shall include a description of corrective actions in the school's partnership agreement, the duration of the partnership agreement, and an assessment of progress toward improvement.
- (e) The total enrollment of each school at the time of submission, the grades served, and student turnover rate compared to the previous academic year, as applicable.
- (f) Aggregated student enrollment data for students with an individualized education program as well as the total amount of special education cost reimbursements received by each school during the school's most recently completed fiscal year.
- (g) The total number of fees, reimbursements, contributions, or charges permitted under section 502(6) of the revised school code, 1976 PA 451, MCL 380.502, that are assigned to each school currently authorized in a single academic year.
- (h) The names of the members of the board of directors of each school currently authorized, the date that each member of each board was appointed, and a description of the methodology used by the authorizing body to select members for the boards of directors for each school currently authorized by the authorizing body.
 - (i) The name of the applicant who applied and received approval to organize each currently authorized school.
 - (j) The list of contracts and length of their terms, with education service providers associated with each school currently authorized pursuant to section 502 of the revised school code, 1976 PA 451, MCL 380.502, as applicable. The contracts described in this subdivision include, but are not limited to, those described in section 502(2)(d) of the revised school code, 1 1976 PA 451, MCL 380.502.
- (k) Activities undertaken by each authorizing body to ensure that the board of directors of each school complies with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246, and laws prohibiting conflicts of interest.
 - (l) A description of the activities undertaken by the authorizing body to meet the functions of an authorizing body under section 502 of the revised school code, 1976 PA 451, MCL 380.502, as applicable.
 - (m) A financial report of the authorizing body's use of fees, reimbursements, contributions, or charges collected or retained under section 502(6) of the revised school code, 1976 PA 451, MCL 380.502. This report must include all of the following, at a minimum:
 - (i) The total amount of fees collected or retained under section 502(6) of the revised school code, 1976 PA 451, MCL 380.502, by the authorizing body for the authorizing body's most recent fiscal year.
 - (ii) The amount of funds reported under subparagraph (i) that were spent on compensation for faculty and staff employed primarily to meet the functions of an authorizing body. For the purpose of this subparagraph, an employee is presumed to be primarily employed to meet the functions of an authorizing body if that employee spends more than 50% of the employee's time on those activities.
 - (iii) The number of positions, organized by job title, associated with expenditures reported under subparagraph (ii).
 - (iv) The amount of funds reported under subparagraph (i) that were spent on contractual services to meet the functions of an authorizing body.
 - (v) The amount of funds reported under subparagraph (i) that were spent on other overhead costs to meet the functions of an authorizing body.
 - (vi) The amount of funds reported under subparagraph (i) that were transferred to another operating unit within the community college or federally recognized tribal college.
 - (vii) The amount of funds reported under subparagraph (i) that were spent on activities other than functioning as an authorizing body, including a list of those activities and the amount associated with each activity.
 - (n) An executive summary section that provides relevant summary data for reporting requirements under subdivisions (a) to (m).

(2) A report submitted under this section must be in a format that meets accessibility standards for viewing on the internet under the Americans with disabilities act of 1990, Public Law 101-336.

(3) A report submitted under this section must be published and updated through a link on the homepage of the institution's website.

(4) In addition to the reporting requirements under this section, each authorizing body that receives an appropriation under section 201 shall adopt a facilities policy ensuring that any structures or other property vacated by a public school academy that ceases operation not contribute to blight in the surrounding neighborhood or community in which the school had previously operated.

(5) As used in this section, "authorizing body" means that term as defined in section 501 of the revised school code, 1976 PA 451, MCL 380.501.

Sec. 217f. It is the intent of the legislature that taxpayer funds appropriated under this article are to be used to educate community college students and continue maintenance of community college buildings and other assets. The goal of the legislature is that taxpayer funds not be used excessively for administration. Therefore, a community college that receives an appropriation under this article shall not spend more than 10% of that appropriation on administration. A sum of money spent in excess of the 10% cap described in this section by a community college results in a forfeiture of an amount equal to 50% of that sum from funds appropriated to that community college, not to exceed the total amount appropriated to that community college under this article. The auditor general may investigate allegations of violations of this section. Funds forfeited under this section must revert, to the extent permitted by law, to the general fund or the state school aid fund. For the purpose of calculations under this section, the amount spent by a community college on administrative costs does not include costs associated with staff working in the following roles: teachers, facilities, public safety, technology, research, instruction, academic support, student services, auxiliary services, or public service.

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 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 2025-2026 appropriations for the department of technology, management, and budget are appropriations totaling \$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, \$855,000.00.
- (b) Bay de Noc Community College, \$515,000.00.
- (c) Delta College, \$2,881,100.00.
- (d) Glen Oaks Community College, \$380,000.00.
- (e) Gogebic Community College, \$56,000.00.
- (f) Grand Rapids Community College, \$2,346,000.00.
- (g) Henry Ford College, \$1,505,000.00.
- (h) Jackson College, \$2,044,000.00.
- (i) Kalamazoo Valley Community College, \$1,942,000.00.
- (j) Kellogg Community College, \$679,000.00.
- (k) Kirtland Community College, \$225,000.00.
- (l) Lake Michigan College, \$966,000.00.
- (m) Lansing Community College, \$757,000.00.
- (n) Macomb Community College, \$4,682,200.00.
- (o) Mid Michigan Community College, \$1,615,000.00.
- (p) Monroe County Community College, \$1,540,000.00.
- (q) Montcalm Community College, \$446,000.00.

- (r) C.S. Mott Community College, \$3,103,000.00.
- (s) Muskegon Community College, \$982,000.00.
- (t) North Central Michigan College, \$646,000.00.
- (u) Northwestern Michigan College, \$1,787,000.00.
- (v) Oakland Community College, \$0.00.
- (w) Schoolcraft College, \$2,232,000.00.
- (x) Southwestern Michigan College, \$822,500.00.
- (y) St. Clair County Community College, \$718,000.00.
- (z) Washtenaw Community College, \$1,676,000.00.
- (aa) Wayne County Community College, \$1,895,800.00.
- (bb) West Shore Community College, \$736,000.00.

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

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

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

- (a) For Category A, economic development and business or industry partnerships, the following:
 - (i) The community college has active partnerships with local employers including hospitals and health care providers.
 - (ii) The community college provides customized on-site training for area companies, employees, or both.
 - (iii) The community college supports entrepreneurship through a small business assistance center or other training or consulting activities targeted toward small businesses.
 - (iv) The community college supports technological advancement through industry partnerships, incubation activities, or operation of a Michigan technical education center or other advanced technology center.
 - (v) The community college has active partnerships with local or regional workforce and economic development agencies.
- (b) For Category B, educational partnerships, the following:
 - (i) The community college has active partnerships with regional high schools, intermediate school districts, and career-tech centers to provide instruction through dual enrollment, concurrent enrollment, direct credit, middle college, or academy programs.
 - (ii) The community college hosts, sponsors, or participates in enrichment programs for area K-12 students, such as college days, summer or after-school programming, or Science Olympiad.
 - (iii) The community college provides, supports, or participates in programming to promote successful transitions to college for traditional age students, including grant programs such as talent search, upward bound, or other activities to promote college readiness in area high schools and community centers.

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

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

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

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

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

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

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

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

(4) Payments for performance funding under section 201 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 under section 201 and 1-time performance funding under section 201f until a community college is in compliance with this subsection.

Sec. 236. (1) Subject to the conditions set forth in this article, the amounts listed in this section are appropriated for higher education for the fiscal year ending September 30, 2026, from the funds indicated in this section. The following is a summary of the appropriations in this section and sections 236d, 236e, and 236j:

(a) The gross appropriation is \$2,336,912,000.00. After deducting total interdepartmental grants and intradepartmental transfers in the amount of \$0.00, the adjusted gross appropriation is \$2,336,912,000.00.

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

(i) Total federal revenues, \$3,200,000.00.

(ii) Total local revenues, \$0.00.

(iii) Total private revenues, \$0.00.

(iv) Total other state restricted revenues, \$850,768,300.00.

(v) State general fund/general purpose money, \$1,482,943,700.00.

(c) The totals and subtotals reflected in subdivisions (a) and (b) do not include amounts appropriated under subsection (7)(d) or (8)(b) to avoid duplicating totals of amounts appropriated in this section and section 236j.

(2) Amounts appropriated for public universities are as follows:

(a) The appropriation for Central Michigan University is \$99,466,100.00, \$95,226,900.00 for operations, \$0.00 for operations increase, \$2,558,800.00 for MPERS support payment, and \$1,680,400.00 for costs incurred under the North American Indian tuition waiver.

(b) The appropriation for Eastern Michigan University is \$86,649,200.00, \$83,979,800.00 for operations, \$0.00 for operations increase, \$2,256,500.00 for MPERS support payment, and \$412,900.00 for costs incurred under the North American Indian tuition waiver.

(c) The appropriation for Ferris State University is \$62,221,900.00, \$59,816,300.00 for operations, \$0.00 for operations increase, \$1,607,300.00 for MPERS support payment, and \$798,300.00 for costs incurred under the North American Indian tuition waiver.

(d) The appropriation for Grand Valley State University is \$98,772,000.00, \$97,552,900.00 for operations, \$0.00 for operations increase, \$0.00 for MPERS support payment, and \$1,219,100.00 for costs incurred under the North American Indian tuition waiver.

(e) The appropriation for Lake Superior State University is \$16,301,400.00, \$14,465,600.00 for operations, \$0.00 for operations increase, \$388,700.00 for MPERS support payment, and \$1,447,100.00 for costs incurred under the North American Indian tuition waiver.