

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

**388.1830 Community college operations; performance funding; distribution; formula; meeting best practice measures; resolution; categories of best practices; payments; conditions.**

Sec. 230.

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

- (a) Allocated proportionate to fiscal year 2023-2024 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, 2024, 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 2023-2024 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(2) and for 1-time performance funding payments under section 201f must be made to a community college only if that community college actively participates in the Michigan Transfer Network sponsored by the Michigan Association of Collegiate Registrars and Admissions Officers and submits timely updates, including updated course equivalencies at least every 6 months, to the Michigan Transfer Network. The state budget director shall determine if a community college has not satisfied this requirement. The state budget director may withhold payments for performance funding and 1-time performance funding until a community college is in compliance with this subsection.

**History:** Add. 2011, Act 62, Eff. Oct. 1, 2011 ;-- Am. 2012, Act 201, Eff. Oct. 1, 2012 ;-- Am. 2013, Act 60, Eff. Oct. 1, 2013 ;-- Am. 2014, Act 196, Eff. Oct. 1, 2014 ;-- Am. 2015, Act 85, Eff. Oct. 1, 2015 ;-- Am. 2016, Act 56, Eff. June 27, 2016 ;-- Am. 2016, Act 249, Eff. Oct. 1, 2016 ;-- Am. 2017, Act 108, Eff. Oct. 1, 2017 ;-- Am. 2018, Act 265, Eff. Oct. 1, 2018 ;-- Am. 2019, Act 52, Eff. Oct. 1, 2019 ;-- Am. 2020, Act 165, Eff. Oct. 1, 2020 ;-- Am. 2021, Act 86, Eff. Oct. 1, 2021 ;-- Am. 2022, Act 144, Eff. Oct. 1, 2022 ;-- Am. 2023, Act 103, Eff. Oct. 1, 2023 ;-- Am. 2024, Act 120, Eff. Oct. 1, 2024