

## MCCA LEGISLATIVE UPDATE

At the recent MCCA meeting an update on current legislation was presented. The following list presents an abbreviated version of the current federal and state legislation affecting community colleges. Additional information on any of these items is available.

**Reauthorization of the Higher Education Opportunity Act:** This important piece of federal legislation reauthorizes the Higher Education Act (HEA) for the next six years. There are far reaching implications for community colleges in regards to Student Financial Aid Programs, Reporting Issues related to college costs, graduation rates, campus emergencies, textbooks, and other items. Some new programs have been created, including pilot programs to increase college persistence and success. A more complete analysis is included with this report.

**Transit Revitalization Investment Zone Act:** This House Bill would create a new TIFA statute intended to promote transit ridership and passenger rail use. As drafted the community college districts to exempt their taxes from being captured by adopting a resolution and filing a copy with the local clerk of the municipality seeking to create the TIFA. MCCA generally supports the bill as written but would oppose any amendment that would not allow community colleges to “opt out” of the TIFA.

**Michigan New Jobs Training Program (MNJTP):** This bill which has now passed the Senate and the House is part of a comprehensive strategy for talent development focusing on accelerated education and training opportunities for workers to obtain skills and credentials needed to compete in this new global economy. The program would authorize community colleges to issue debt on behalf of employers that are creating new jobs and/or expanding operations in Michigan for the purpose of funding job training; the principal and interest payments on the debt would be paid by capturing the incremental increase in the state income tax associated with the new employees’ wages and redirecting it to the college, instead of the state. MNJTP would provide flexible funding to meet a variety of training and developmental needs. This is patterned after a program in the state of Iowa and is part of a comprehensive approach for talent development where community colleges are poised to be integral to the growth of Michigan in economic recovery and transformation.

**CDARS:** Recent legislation proposed in the House and Senate would allow, as an investment option for, school districts and public corporations to participate in the Certificate of Deposit Account Registry Service program (CDARS). The program spreads an investor’s funds among as many institutions as necessary so that no more than \$100,000 is invested in any institution, thereby allowing for the full investment to be FDIC insured. This could also be done through a single bank, which coordinates the rest of the investments through a network of participating institutions. MCCA supports legislation that would allow community colleges to participate in the CDARS program.

**Retirement Reform:** MCCA supports legislation proposed by the Senate that would allow community colleges the option of removing employees from a defined benefit plan

into a defined contribution plan. This legislation grants local community college boards control by granting them the ability to choose an employee retirement system appropriate for the districts' own needs.

**Baccalaureate in Applied and Technical Areas:** MCCA supports a bill that would permit community colleges to grant baccalaureate degrees in applied and technical areas as a measure to respond to critical workforce needs, meet growing needs of employers, and increase access and affordability to Michigan citizens.