

**SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 4547**

A bill to amend 1996 PA 160, entitled  
"Postsecondary enrollment options act,"  
by amending sections 3 and 4 (MCL 388.513 and 388.514), section 3  
as amended by 2018 PA 11 and section 4 as amended by 2012 PA 134.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 3. (1) As used in this act:

2           (a) "Community college" means a community college established  
3 under the community college act of 1966, 1966 PA 331, MCL 389.1 to  
4 389.195, or under part 25 of the revised school code, 1976 PA 451,  
5 MCL 380.1601 to 380.1607, or a federal tribally controlled  
6 community college located in this state that is recognized under  
7 the tribally controlled colleges and universities assistance act of  
8 1978, 25 USC 1801 to 1864, and is determined by the department to



1 meet the requirements for accreditation by a recognized regional  
2 accrediting body.

3 (b) "Department" means the department of education.

4 (c) "Eligible charges" means tuition and mandatory course  
5 fees, material fees, and registration fees required by an eligible  
6 institution for enrollment in an eligible course. Eligible charges  
7 also include any late fees charged by an eligible postsecondary  
8 institution due to the school district's or department of  
9 treasury's failure to make a required payment according to the  
10 timetable prescribed under this act. Eligible charges do not  
11 include transportation or parking costs or activity fees. For  
12 eligible students enrolled in an out-of-state college that is an  
13 eligible postsecondary institution, eligible charges ~~shall~~**must** not  
14 exceed the lesser of the in-district rate for the community college  
15 located in the district in which the eligible student resides or  
16 the in-district rate for the out-of-state college in which the  
17 eligible student is enrolled.

18 (d) "Eligible course" means a course offered by an eligible  
19 postsecondary institution that is offered for postsecondary credit;  
20 that is not offered by the school district or state approved  
21 nonpublic school in which the eligible student is enrolled, or that  
22 is offered by the school district or state approved nonpublic  
23 school but is determined by its governing board to not be available  
24 to the eligible student because of a scheduling conflict beyond the  
25 eligible student's control; that is an academic course not  
26 ordinarily taken as an activity course; that is a course that the  
27 postsecondary institution normally applies toward satisfaction of  
28 degree requirements; **that is offered in whole or in part when the**  
29 **school district or state approved nonpublic school is in session**



1 or, if approved by the school district or state approved nonpublic  
 2 school, that is offered in whole when the school district or state  
 3 approved nonpublic school is not in session; that is not a hobby,  
 4 craft, or recreational course; and that is in a subject area other  
 5 than physical education, theology, divinity, or religious  
 6 education. However, for an eligible student who has not achieved a  
 7 qualifying score in each subject area on a readiness assessment or  
 8 the Michigan merit examination, as applicable for the student,  
 9 excluding an eligible student who enrolls in an eligible course  
 10 that begins after April 30, 2020 and ends before the start of the  
 11 2020-2021 academic year or enrolls in a course offered during the  
 12 2020-2021 academic year during the period beginning on the  
 13 effective date of the amendatory act that added this sentence and  
 14 ending on the last day of the 2020-2021 academic year and who has a  
 15 grade point average of at least 2.5, as determined by his or her  
 16 school district, an eligible course is limited to a course in a  
 17 subject area for which he or she has achieved a qualifying score, a  
 18 course in computer science or foreign language not offered by the  
 19 school district, or a course in fine arts as permitted by the  
 20 school district. For each individual eligible student, unless there  
 21 is a written agreement between the eligible student's school  
 22 district and the eligible postsecondary institution to waive these  
 23 limits, a course described in this subdivision is not an eligible  
 24 course if the eligible student's enrollment in, and the payment of  
 25 eligible charges under this act for, the course would exceed the  
 26 following limits:

27 (i) Not more than 10 courses overall. This limit and the limits  
 28 under subparagraphs (ii) to (iv) do not apply to a course if the  
 29 eligible student does not receive tuition and fee support under



1 this act for that course.

2 (ii) If the eligible student first enrolls in a course under  
3 this act when the eligible student is in grade 9, not more than 2  
4 courses during each academic year in the eligible student's first,  
5 second, or third academic year of enrollment under this act in an  
6 eligible postsecondary institution and not more than 4 courses  
7 during the academic year in the eligible student's fourth academic  
8 year of enrollment under this act in an eligible postsecondary  
9 institution.

10 (iii) If the eligible student first enrolls in a course under  
11 this act when the eligible student is in grade 10, not more than 2  
12 courses during the academic year in the eligible student's first  
13 academic year of enrollment under this act in an eligible  
14 postsecondary institution, not more than 4 courses during the  
15 academic year in the eligible student's second academic year of  
16 enrollment under this act in an eligible postsecondary institution,  
17 and not more than 4 courses during the academic year in the  
18 eligible student's third academic year of enrollment under this act  
19 in an eligible postsecondary institution.

20 (iv) Subject to the overall course limit under subparagraph  
21 (i), if the eligible student first enrolls in a course under this  
22 act when the eligible student is in grade 11 or 12, not more than 6  
23 courses during either of those academic years of enrollment in an  
24 eligible postsecondary institution.

25 (e) "Eligible postsecondary institution" means a state  
26 university, community college, or independent nonprofit degree-  
27 granting college or university that is located in this state and  
28 that chooses to comply with this act. However, an out-of-state  
29 college that is located within 20 miles of a border with this state



1 and that chooses to comply with this act is also an eligible  
 2 postsecondary institution for an eligible student if at least 1 of  
 3 the following is met:

4 (i) The eligible student is enrolled in a school district, as  
 5 that term is defined in section 6 of the revised school code, 1976  
 6 PA 451, MCL 380.6, that shares a border with the state in which the  
 7 out-of-state college is located.

8 (ii) The eligible student is enrolled in a public school  
 9 academy, as that term is defined in section 5 of the revised school  
 10 code, 1976 PA 451, MCL 380.5, that is located in a school district  
 11 described in subparagraph (i).

12 (iii) The eligible student is enrolled in a state approved  
 13 nonpublic school that is located in a school district described in  
 14 subparagraph (i).

15 (f) "Eligible student" means, except as otherwise provided in  
 16 this subdivision, a student enrolled in at least 1 high school  
 17 class in a school district or state approved nonpublic school in  
 18 this state, except a foreign exchange pupil enrolled under a  
 19 cultural exchange program or a student who does not have at least 1  
 20 parent or legal guardian who is a resident of this state. However,  
 21 subject to subsection (2), the student ~~shall~~**must** not have been  
 22 enrolled in high school for more than 4 school years including the  
 23 school year in which the student seeks to enroll in an eligible  
 24 course under this act. To be an eligible student, **except as**  
 25 **otherwise provided in this subdivision**, a student who has not taken  
 26 the Michigan merit examination must have achieved a qualifying  
 27 score in all subject areas on a readiness assessment and a student  
 28 who has taken the Michigan merit examination must have achieved a  
 29 qualifying score in all subject areas on the Michigan merit



1 examination, and, subject to subsection (2), the student ~~shall~~**must**  
 2 not have been enrolled in high school for more than 4 school years  
 3 including the school year in which the student seeks to enroll in  
 4 an eligible course under this act. ~~However, if~~**Except as otherwise**  
 5 **provided in this subdivision, if** the student has not achieved a  
 6 qualifying score in all subject areas on a readiness assessment or  
 7 the Michigan merit examination, as applicable for the student, the  
 8 student is an eligible student only for the limited purpose of  
 9 enrolling in 1 or more eligible courses under this act in a subject  
 10 area for which he or she has achieved a qualifying score, in  
 11 computer science or foreign language not offered by the school  
 12 district, or in fine arts as permitted by the school district. **For**  
 13 **enrollment in eligible courses that begin after April 30, 2020 and**  
 14 **end before the start of the 2020-2021 academic year and for**  
 15 **enrollment in eligible courses offered during the 2020-2021**  
 16 **academic year during the period beginning on the effective date of**  
 17 **the amendatory act that added this sentence and ending on the last**  
 18 **day of the 2020-2021 academic year, a student is an eligible**  
 19 **student if the student has achieved a grade point average of at**  
 20 **least 2.5, as determined by his or her school district, regardless**  
 21 **of whether or not the student has achieved a qualifying score in**  
 22 **all subject areas on a readiness assessment or the Michigan merit**  
 23 **examination.** For the purposes of determining the number of years a  
 24 pupil has been enrolled in high school, a pupil who is enrolled in  
 25 high school for less than 90 days of a school year due to illness  
 26 or other circumstances beyond the control of the pupil or the  
 27 pupil's parent or guardian is not considered to be enrolled in high  
 28 school for that school year.

29 (g) "Intermediate school district" means that term as defined



1 in section 4 of the revised school code, 1976 PA 451, MCL 380.4.

2 (h) "Michigan merit examination" means that examination  
3 developed under section 1279g of the revised school code, 1976 PA  
4 451, MCL 380.1279g.

5 (i) "Out-of-state college" means a state university, community  
6 college, or independent nonprofit degree-granting college or  
7 university that is located in another state and that is legally  
8 established under the laws of that other state.

9 (j) "Qualifying score" means a score on a readiness assessment  
10 or the Michigan merit examination that has been determined by the  
11 superintendent of public instruction to indicate readiness to  
12 enroll in a postsecondary course in that subject area under this  
13 act.

14 (k) "Readiness assessment" means assessment instruments that  
15 are aligned with state learning standards; that are used nationally  
16 to provide high school students with an early indication of college  
17 readiness proficiency in English, mathematics, reading, social  
18 studies, and science and may contain a comprehensive career  
19 planning program; and that are approved by the superintendent of  
20 public instruction for the purposes of this act.

21 (l) "School district" means that term as defined in section 6  
22 of the revised school code, 1976 PA 451, MCL 380.6, or a public  
23 school academy as **that term is** defined in section 5 of the revised  
24 school code, 1976 PA 451, MCL 380.5, except as provided in  
25 subdivision (e).

26 (m) "State approved nonpublic school" means that term as  
27 defined in section 6 of the revised school code, 1976 PA 451, MCL  
28 380.6.

29 (n) "State university" means a state institution of higher



1 education described in section 4, 5, or 6 of article VIII of the  
2 state constitution of 1963.

3 (2) The superintendent of public instruction shall promulgate  
4 rules establishing criteria and procedures under which a student  
5 who has been enrolled in high school for more than 4 years but not  
6 more than 5 years may be considered to be an eligible student. The  
7 rules ~~shall~~**must** address special circumstances under which a  
8 student may qualify to be considered an eligible student under this  
9 subsection and may limit the number of courses in which a student  
10 who qualifies under this subsection may enroll. For the purposes of  
11 determining the number of years a pupil has been enrolled in high  
12 school, a pupil who is enrolled in high school for less than 90  
13 days of a school year due to illness or other circumstances beyond  
14 the control of the pupil or the pupil's parent or guardian is not  
15 considered to be enrolled for that school year.

16 Sec. 4. (1) The school district or state approved nonpublic  
17 school in which an eligible student is enrolled shall provide to  
18 the eligible student a letter signed by the student's principal  
19 indicating the student's eligibility under this act.

20 (2) An eligible student may apply to an eligible postsecondary  
21 institution to enroll in 1 or more eligible courses offered by that  
22 eligible postsecondary institution and, if accepted, may enroll in  
23 1 or more of those courses.

24 (3) For an eligible student enrolled in a school district,  
25 within a reasonable time after registration, the eligible  
26 postsecondary institution shall send written notice to the eligible  
27 student and his or her school district. For an eligible student  
28 enrolled in a state approved nonpublic school, within a reasonable  
29 time after registration, the eligible postsecondary institution



1 shall send written notice to the eligible student and his or her  
2 state approved nonpublic school and to the department. The notice  
3 ~~shall~~**must** indicate the course or courses and hours of enrollment  
4 of that eligible student. The eligible postsecondary institution  
5 shall notify the eligible student about tuition, fees, books,  
6 materials, and other related charges, as determined by the  
7 postsecondary institution, in the customary manner used by the  
8 eligible postsecondary institution, and shall notify the eligible  
9 student of the estimated amount of the eligible charges that will  
10 be billed to the school district or the department, as applicable,  
11 under subsection (4).

12 (4) For an eligible student enrolled in a school district,  
13 unless otherwise agreed between the eligible postsecondary  
14 institution and the school district, after the expiration of the  
15 institution's drop/add period for the course, an eligible  
16 postsecondary institution shall send a bill to the eligible  
17 student's school district detailing the eligible charges for each  
18 eligible course in which the eligible student is enrolled under  
19 this act. For an eligible student who is enrolled in a state  
20 approved nonpublic school, after the expiration of the eligible  
21 postsecondary institution's drop/add period for the course, both of  
22 the following apply:

23 (a) ~~Eligible~~**The eligible** postsecondary institution shall send  
24 a bill to the department detailing the eligible charges for each  
25 eligible course in which the eligible student is enrolled under  
26 this act.

27 (b) The department shall determine the amount of the eligible  
28 charges to be paid by the department of treasury to the eligible  
29 postsecondary institution on behalf of the eligible student under



1 this act and shall deliver this information to the department of  
2 treasury by appropriate electronic means.

3 (5) For an eligible student enrolled in a school district,  
4 upon receiving the bill under subsection (4), the school district  
5 shall cause to be paid to the eligible postsecondary institution on  
6 behalf of the eligible student an amount equal to the lesser of the  
7 amount of the eligible charges or the prorated percentage of the  
8 statewide pupil-weighted average foundation allowance, as  
9 calculated under **this subsection and** section 20 of the state school  
10 aid act of 1979, 1979 PA 94, MCL 388.1620, for all school districts  
11 for the state fiscal year that begins on October 1 ~~of the~~  
12 **immediately preceding the** academic year of enrollment in the  
13 eligible postsecondary institution, with the proration based on the  
14 proportion of the school year that the eligible student attends the  
15 eligible postsecondary institution. **In determining the proportion**  
16 **of the school year that an eligible student attends an eligible**  
17 **postsecondary institution under this subsection, a school district**  
18 **shall take into account, according to guidelines published by the**  
19 **department under subsection (16), an eligible student's attendance**  
20 **at an eligible postsecondary institution for an eligible course**  
21 **that occurs in whole or in part when the school district is not in**  
22 **session during the summer immediately following that regularly**  
23 **scheduled school year.** However, in the calculation of the statewide  
24 pupil-weighted average foundation allowance for the purposes of  
25 this subsection, if a school district's foundation allowance is  
26 above the ~~basic-target~~ foundation allowance under section 20 of the  
27 state school aid act of 1979, 1979 PA 94, MCL 388.1620, then the  
28 school district's foundation allowance ~~shall~~**must** be considered to  
29 be the ~~basic-target~~ foundation allowance. Not later than September



1 1 of each year, the department shall notify the department of  
 2 treasury of the amount of the statewide pupil-weighted average  
 3 foundation allowance as calculated for the purposes of this  
 4 subsection. A school district may pay more money to an eligible  
 5 postsecondary institution on behalf of an eligible student than is  
 6 required under this act, and may use local school operating revenue  
 7 for that purpose. The eligible student is responsible for payment  
 8 of the remainder of the costs associated with his or her  
 9 postsecondary enrollment that exceed the amount the school district  
 10 is required to pay under this act and that are not paid by the  
 11 school district. As used in this subsection, "local school  
 12 operating revenue" means that term as defined in section 20 of the  
 13 state school aid act of 1979, 1979 PA 94, MCL 388.1620.

14 (6) For an eligible student who is enrolled in a state  
 15 approved nonpublic school, upon receiving from the department under  
 16 subsection (4) the amount of the eligible charges to be paid on  
 17 behalf of the eligible student, the department of treasury shall  
 18 cause to be paid to the eligible postsecondary institution on  
 19 behalf of the eligible student an amount equal to the lesser of the  
 20 amount of the eligible charges or the prorated percentage of the  
 21 statewide pupil-weighted average foundation allowance, as  
 22 calculated under **this subsection and** section 20 of the state school  
 23 aid act of 1979, 1979 PA 94, MCL 388.1620, for all school districts  
 24 for the state fiscal year that begins on October 1 ~~of the~~  
 25 **immediately preceding the** academic year of enrollment in the  
 26 eligible postsecondary institution, with the proration based on the  
 27 proportion of the school year that the eligible student attends the  
 28 eligible postsecondary institution. **In determining the proportion**  
 29 **of the school year that an eligible student attends an eligible**



1 postsecondary institution under this subsection, the department  
 2 shall take into account, according to guidelines published by the  
 3 department under subsection (16), an eligible student's attendance  
 4 at an eligible postsecondary institution for an eligible course  
 5 that occurs in whole or in part when the state approved nonpublic  
 6 school is not in session during the summer immediately following  
 7 that regularly scheduled school year. However, in the calculation  
 8 of the statewide pupil-weighted average foundation allowance for  
 9 the purposes of this subsection, if a school district's foundation  
 10 allowance is above the ~~basic-target~~ foundation allowance under  
 11 section 20 of the state school aid act of 1979, 1979 PA 94, MCL  
 12 388.1620, then the school district's foundation allowance ~~shall~~  
 13 **must** be considered to be the ~~basic-target~~ foundation allowance. Not  
 14 later than September 1 of each year, the department shall notify  
 15 the department of treasury of the amount of the statewide pupil-  
 16 weighted average foundation allowance as calculated for the  
 17 purposes of this subsection. The eligible student is responsible  
 18 for payment of the remainder of the costs associated with his or  
 19 her postsecondary enrollment that exceed the amount the department  
 20 of treasury is required to pay under this act and that are not paid  
 21 by the department of treasury.

22 (7) An eligible postsecondary institution shall not charge a  
 23 late fee to an eligible student, a school district, the department,  
 24 or the department of treasury for a payment that is made in  
 25 compliance with the timetable prescribed under this act even if the  
 26 payment would otherwise be considered late by the postsecondary  
 27 institution.

28 (8) A school district, state approved nonpublic school, or the  
 29 department may require an eligible student to provide, on a form



1 supplied by the school district, state approved nonpublic school,  
2 or the department, reasonable verification that the eligible  
3 student is regularly attending a postsecondary course.

4 (9) For an eligible student who is enrolled in a school  
5 district and who enrolls in an eligible course under this act, if  
6 the student does not complete the eligible course or, if the  
7 student enrolls in an eligible course for postsecondary credit only  
8 and the student does not successfully complete the eligible course,  
9 as determined by the eligible postsecondary institution, and if the  
10 school district has paid money for the course on behalf of the  
11 student, ~~all~~**both** of the following apply:

12 (a) The eligible postsecondary institution shall forward to  
13 the school district any funds that are refundable due to  
14 noncompletion of the course. The school district shall then forward  
15 to the eligible student any refunded money in excess of the amount  
16 paid by the school district for the course on behalf of the  
17 eligible student.

18 (b) The eligible student shall repay to the school district  
19 any funds that were expended by the school district for the course  
20 that are not refunded to the school district by the eligible  
21 postsecondary institution. If the eligible student does not repay  
22 this money, the school district may impose sanctions against the  
23 eligible student as determined by school district policy. This  
24 subdivision does not apply to an eligible student who does not  
25 complete the course due to a family or medical emergency, as  
26 determined by the eligible postsecondary institution.

27 (10) For an eligible student who is enrolled in a state  
28 approved nonpublic school, and who enrolls in an eligible course  
29 under this act, if the eligible student does not complete the



1 eligible course or, if the eligible student enrolls in an eligible  
 2 course for postsecondary credit only and the eligible student does  
 3 not successfully complete the eligible course, as determined by the  
 4 eligible postsecondary institution, and if the department of  
 5 treasury has paid money for the course on behalf of the eligible  
 6 student, ~~all~~**both** of the following apply:

7 (a) The eligible postsecondary institution shall forward to  
 8 the department of treasury any funds that are refundable due to  
 9 noncompletion of the course. If applicable, the eligible  
 10 postsecondary institution shall then refund to the eligible student  
 11 any funds that are refundable due to noncompletion of the course  
 12 and are in excess of the amount paid by the department of treasury  
 13 for the course on behalf of the eligible student.

14 (b) The eligible student shall repay to the department of  
 15 treasury any funds that were expended by the department of treasury  
 16 for the course that are not refunded to the department of treasury  
 17 by the eligible postsecondary institution. This subdivision does  
 18 not apply to an eligible student who does not complete the course  
 19 due to a family or medical emergency, as determined by the eligible  
 20 postsecondary institution.

21 (11) A school district, state approved nonpublic school, the  
 22 department, or the department of treasury shall make available to  
 23 an eligible student copies of all correspondence in the possession  
 24 of the school district, state approved nonpublic school,  
 25 department, or department of treasury regarding the eligible  
 26 student's participation in postsecondary enrollment under this act.  
 27 ~~Correspondence described in this subsection shall be kept by the~~  
 28 **The** school district, state approved nonpublic school, department,  
 29 or department of treasury **shall keep correspondence described in**



1 **this subsection** for at least 1 year.

2 (12) If a school district pays for books for an eligible  
3 student for a postsecondary course under this section, the books  
4 are the property of the school district and ~~shall~~**must** be turned  
5 over to the school district after the eligible student completes  
6 the course.

7 (13) This section does not apply to any postsecondary courses  
8 in which an eligible student is enrolled in addition to being  
9 enrolled full-time in that eligible student's school district or  
10 state approved nonpublic school; to a postsecondary course an  
11 eligible student is retaking after failing to achieve a  
12 satisfactory grade; or to a course contrary to the eligibility  
13 provisions of this act. In determining full-time enrollment in a  
14 school district under this section or a school district's full-time  
15 equated membership under the state school aid act of 1979, 1979 PA  
16 94, MCL 388.1601 to ~~388.1896~~, **388.1897**, for a pupil enrolled in a  
17 postsecondary institution under this act, the pupil's enrollment in  
18 both the school district and the postsecondary institution ~~shall~~  
19 **must** be counted as enrollment in the school district and a pupil  
20 ~~shall not be~~ **is not** considered to be enrolled in a school district  
21 less than full-time solely because of the effect of the pupil's  
22 postsecondary enrollment, including necessary travel time, on the  
23 number of class hours provided by the school district to the pupil.  
24 In determining full-time enrollment in a state approved nonpublic  
25 school under this section for a student enrolled in a postsecondary  
26 institution under this act, the student's enrollment in both the  
27 state approved nonpublic school and the postsecondary institution  
28 ~~shall~~**must** be counted as enrollment in the state approved nonpublic  
29 school and a student ~~shall not be~~ **is not** considered to be enrolled



1 in a state approved nonpublic school less than full-time solely  
2 because of the effect of the student's postsecondary enrollment  
3 under this act, including necessary travel time, on the number of  
4 class hours provided by the state approved nonpublic school to the  
5 student.

6 (14) This act does not require a school district or the  
7 department of treasury to pay or otherwise provide financial  
8 support for transportation or parking costs necessary for an  
9 eligible student to participate in postsecondary enrollment under  
10 this act. A school district, state approved nonpublic school, or  
11 this state is not liable for any injury incurred by an eligible  
12 student that is related to transportation necessary for the  
13 eligible student to participate in postsecondary enrollment under  
14 this act.

15 (15) The legislature shall appropriate funds to the department  
16 of treasury for making payments required to be made by the  
17 department of treasury under this act.

18 (16) **By September 1, 2020, the department shall publish**  
19 **guidelines regarding how to determine the prorated percentage of**  
20 **the statewide pupil-weighted average foundation allowance under**  
21 **subsections (5) and (6). By September 1, 2021 and by September 1**  
22 **each year thereafter, the department shall update and republish the**  
23 **guidelines described under this subsection.**

