

**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, an
9 eligible course is limited to a course in a subject area for which
10 he or she has achieved a qualifying score, a course in computer
11 science or foreign language not offered by the school district, or
12 a course in fine arts as permitted by the school district. For each
13 individual eligible student, unless there is a written agreement
14 between the eligible student's school district and the eligible
15 postsecondary institution to waive these limits, a course described
16 in this subdivision is not an eligible course if the eligible
17 student's enrollment in, and the payment of eligible charges under
18 this act for, the course would exceed the following limits:

19 (i) Not more than 10 courses overall. This limit and the limits
20 under subparagraphs (ii) to (iv) do not apply to a course if the
21 eligible student does not receive tuition and fee support under
22 this act for that course.

23 (ii) If the eligible student first enrolls in a course under
24 this act when the eligible student is in grade 9, not more than 2
25 courses during each academic year in the eligible student's first,
26 second, or third academic year of enrollment under this act in an
27 eligible postsecondary institution and not more than 4 courses
28 during the academic year in the eligible student's fourth academic
29 year of enrollment under this act in an eligible postsecondary



1 institution.

2 (iii) If the eligible student first enrolls in a course under
3 this act when the eligible student is in grade 10, not more than 2
4 courses during the academic year in the eligible student's first
5 academic year of enrollment under this act in an eligible
6 postsecondary institution, not more than 4 courses during the
7 academic year in the eligible student's second academic year of
8 enrollment under this act in an eligible postsecondary institution,
9 and not more than 4 courses during the academic year in the
10 eligible student's third academic year of enrollment under this act
11 in an eligible postsecondary institution.

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

17 (e) "Eligible postsecondary institution" means a state
18 university, community college, or independent nonprofit degree-
19 granting college or university that is located in this state and
20 that chooses to comply with this act. However, an out-of-state
21 college that is located within 20 miles of a border with this state
22 and that chooses to comply with this act is also an eligible
23 postsecondary institution for an eligible student if at least 1 of
24 the following is met:

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

29 (ii) The eligible student is enrolled in a public school



1 academy, as that term is defined in section 5 of the revised school
2 code, 1976 PA 451, MCL 380.5, that is located in a school district
3 described in subparagraph (i).

4 (iii) The eligible student is enrolled in a state approved
5 nonpublic school that is located in a school district described in
6 subparagraph (i).

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



1 qualifying score, in computer science or foreign language not
2 offered by the school district, or in fine arts as permitted by the
3 school district. For the purposes of determining the number of
4 years a pupil has been enrolled in high school, a pupil who is
5 enrolled in high school for less than 90 days of a school year due
6 to illness or other circumstances beyond the control of the pupil
7 or the pupil's parent or guardian is not considered to be enrolled
8 in high school for that school year.

9 (g) "Intermediate school district" means that term as defined
10 in section 4 of the revised school code, 1976 PA 451, MCL 380.4.

11 (h) "Michigan merit examination" means that examination
12 developed under section 1279g of the revised school code, 1976 PA
13 451, MCL 380.1279g.

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

18 (j) "Qualifying score" means a score on a readiness assessment
19 or the Michigan merit examination that has been determined by the
20 superintendent of public instruction to indicate readiness to
21 enroll in a postsecondary course in that subject area under this
22 act.

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



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

6 (m) "State approved nonpublic school" means that term as
7 defined in section 6 of the revised school code, 1976 PA 451, MCL
8 380.6.

9 (n) "State university" means a state institution of higher
10 education described in section 4, 5, or 6 of article VIII of the
11 state constitution of 1963.

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

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

29 (2) An eligible student may apply to an eligible postsecondary



1 institution to enroll in 1 or more eligible courses offered by that
2 eligible postsecondary institution and, if accepted, may enroll in
3 1 or more of those courses.

4 (3) For an eligible student enrolled in a school district,
5 within a reasonable time after registration, the eligible
6 postsecondary institution shall send written notice to the eligible
7 student and his or her school district. For an eligible student
8 enrolled in a state approved nonpublic school, within a reasonable
9 time after registration, the eligible postsecondary institution
10 shall send written notice to the eligible student and his or her
11 state approved nonpublic school and to the department. The notice
12 ~~shall~~**must** indicate the course or courses and hours of enrollment
13 of that eligible student. The eligible postsecondary institution
14 shall notify the eligible student about tuition, fees, books,
15 materials, and other related charges, as determined by the
16 postsecondary institution, in the customary manner used by the
17 eligible postsecondary institution, and shall notify the eligible
18 student of the estimated amount of the eligible charges that will
19 be billed to the school district or the department, as applicable,
20 under subsection (4).

21 (4) For an eligible student enrolled in a school district,
22 unless otherwise agreed between the eligible postsecondary
23 institution and the school district, after the expiration of the
24 institution's drop/add period for the course, an eligible
25 postsecondary institution shall send a bill to the eligible
26 student's school district detailing the eligible charges for each
27 eligible course in which the eligible student is enrolled under
28 this act. For an eligible student who is enrolled in a state
29 approved nonpublic school, after the expiration of the eligible



1 postsecondary institution's drop/add period for the course, both of
2 the following apply:

3 (a) ~~Eligible~~**The eligible** postsecondary institution shall send
4 a bill to the department detailing the eligible charges for each
5 eligible course in which the eligible student is enrolled under
6 this act.

7 (b) The department shall determine the amount of the eligible
8 charges to be paid by the department of treasury to the eligible
9 postsecondary institution on behalf of the eligible student under
10 this act and shall deliver this information to the department of
11 treasury by appropriate electronic means.

12 (5) For an eligible student enrolled in a school district,
13 upon receiving the bill under subsection (4), the school district
14 shall cause to be paid to the eligible postsecondary institution on
15 behalf of the eligible student an amount equal to the lesser of the
16 amount of the eligible charges or the prorated percentage of the
17 statewide pupil-weighted average foundation allowance, as
18 calculated under **this subsection and** section 20 of the state school
19 aid act of 1979, 1979 PA 94, MCL 388.1620, for all school districts
20 for the state fiscal year that begins on October 1 ~~of the~~
21 **immediately preceding the** academic year of enrollment in the
22 eligible postsecondary institution, with the proration based on the
23 proportion of the school year that the eligible student attends the
24 eligible postsecondary institution. **In determining the proportion**
25 **of the school year that an eligible student attends an eligible**
26 **postsecondary institution under this subsection, a school district**
27 **shall take into account, according to guidelines published by the**
28 **department under subsection (16), an eligible student's attendance**
29 **at an eligible postsecondary institution for an eligible course**



1 that occurs in whole or in part when the school district is not in
 2 session during the summer immediately following that regularly
 3 scheduled school year. However, in the calculation of the statewide
 4 pupil-weighted average foundation allowance for the purposes of
 5 this subsection, if a school district's foundation allowance is
 6 above the ~~basic-target~~ foundation allowance under section 20 of the
 7 state school aid act of 1979, 1979 PA 94, MCL 388.1620, then the
 8 school district's foundation allowance ~~shall~~**must** be considered to
 9 be the ~~basic-target~~ foundation allowance. Not later than September
 10 1 of each year, the department shall notify the department of
 11 treasury of the amount of the statewide pupil-weighted average
 12 foundation allowance as calculated for the purposes of this
 13 subsection. A school district may pay more money to an eligible
 14 postsecondary institution on behalf of an eligible student than is
 15 required under this act, and may use local school operating revenue
 16 for that purpose. The eligible student is responsible for payment
 17 of the remainder of the costs associated with his or her
 18 postsecondary enrollment that exceed the amount the school district
 19 is required to pay under this act and that are not paid by the
 20 school district. As used in this subsection, "local school
 21 operating revenue" means that term as defined in section 20 of the
 22 state school aid act of 1979, 1979 PA 94, MCL 388.1620.

23 (6) For an eligible student who is enrolled in a state
 24 approved nonpublic school, upon receiving from the department under
 25 subsection (4) the amount of the eligible charges to be paid on
 26 behalf of the eligible student, the department of treasury shall
 27 cause to be paid to the eligible postsecondary institution on
 28 behalf of the eligible student an amount equal to the lesser of the
 29 amount of the eligible charges or the prorated percentage of the



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



1 by the department of treasury.

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

8 (8) A school district, state approved nonpublic school, or the
9 department may require an eligible student to provide, on a form
10 supplied by the school district, state approved nonpublic school,
11 or the department, reasonable verification that the eligible
12 student is regularly attending a postsecondary course.

13 (9) For an eligible student who is enrolled in a school
14 district and who enrolls in an eligible course under this act, if
15 the student does not complete the eligible course or, if the
16 student enrolls in an eligible course for postsecondary credit only
17 and the student does not successfully complete the eligible course,
18 as determined by the eligible postsecondary institution, and if the
19 school district has paid money for the course on behalf of the
20 student, ~~all~~ **both** of the following apply:

21 (a) The eligible postsecondary institution shall forward to
22 the school district any funds that are refundable due to
23 noncompletion of the course. The school district shall then forward
24 to the eligible student any refunded money in excess of the amount
25 paid by the school district for the course on behalf of the
26 eligible student.

27 (b) The eligible student shall repay to the school district
28 any funds that were expended by the school district for the course
29 that are not refunded to the school district by the eligible



1 postsecondary institution. If the eligible student does not repay
2 this money, the school district may impose sanctions against the
3 eligible student as determined by school district policy. This
4 subdivision does not apply to an eligible student who does not
5 complete the course due to a family or medical emergency, as
6 determined by the eligible postsecondary institution.

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

16 (a) The eligible postsecondary institution shall forward to
17 the department of treasury any funds that are refundable due to
18 noncompletion of the course. If applicable, the eligible
19 postsecondary institution shall then refund to the eligible student
20 any funds that are refundable due to noncompletion of the course
21 and are in excess of the amount paid by the department of treasury
22 for the course on behalf of the eligible student.

23 (b) The eligible student shall repay to the department of
24 treasury any funds that were expended by the department of treasury
25 for the course that are not refunded to the department of treasury
26 by the eligible postsecondary institution. This subdivision does
27 not apply to an eligible student who does not complete the course
28 due to a family or medical emergency, as determined by the eligible
29 postsecondary institution.



1 (11) A school district, state approved nonpublic school, the
 2 department, or the department of treasury shall make available to
 3 an eligible student copies of all correspondence in the possession
 4 of the school district, state approved nonpublic school,
 5 department, or department of treasury regarding the eligible
 6 student's participation in postsecondary enrollment under this act.
 7 ~~Correspondence described in this subsection shall be kept by the~~
 8 **The** school district, state approved nonpublic school, department,
 9 or department of treasury **shall keep correspondence described in**
 10 **this subsection** for at least 1 year.

11 (12) If a school district pays for books for an eligible
 12 student for a postsecondary course under this section, the books
 13 are the property of the school district and ~~shall~~**must** be turned
 14 over to the school district after the eligible student completes
 15 the course.

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



1 less than full-time solely because of the effect of the pupil's
2 postsecondary enrollment, including necessary travel time, on the
3 number of class hours provided by the school district to the pupil.
4 In determining full-time enrollment in a state approved nonpublic
5 school under this section for a student enrolled in a postsecondary
6 institution under this act, the student's enrollment in both the
7 state approved nonpublic school and the postsecondary institution
8 ~~shall~~**must** be counted as enrollment in the state approved nonpublic
9 school and a student ~~shall not be~~**is not** considered to be enrolled
10 in a state approved nonpublic school less than full-time solely
11 because of the effect of the student's postsecondary enrollment
12 under this act, including necessary travel time, on the number of
13 class hours provided by the state approved nonpublic school to the
14 student.

15 (14) This act does not require a school district or the
16 department of treasury to pay or otherwise provide financial
17 support for transportation or parking costs necessary for an
18 eligible student to participate in postsecondary enrollment under
19 this act. A school district, state approved nonpublic school, or
20 this state is not liable for any injury incurred by an eligible
21 student that is related to transportation necessary for the
22 eligible student to participate in postsecondary enrollment under
23 this act.

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

27 (16) **By February 1, 2020, the department shall publish**
28 **guidelines regarding how to determine the prorated percentage of**
29 **the statewide pupil-weighted average foundation allowance under**



1 subsections (5) and (6). By September 1, 2020, and by September 1
2 each year thereafter, the department shall update and republish the
3 guidelines described under this subsection.

4 Enacting section 1. This amendatory act takes effect 90 days
5 after the date it is enacted into law.