

**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**



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

(i) Not more than 10 courses overall. This limit and the limits under subparagraphs (ii) to (iv) do not apply to a course if the



1 eligible student does not receive tuition and fee support under
2 this act for that course.

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

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

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

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



college that is located within 20 miles of a border with this state and that chooses to comply with this act is also an eligible postsecondary institution for an eligible student if at least 1 of the following is met:

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

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

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

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



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



1 the pupil or the pupil's parent or guardian is not considered to be
2 enrolled in high school for that school year.

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

5 (h) "Michigan merit examination" means that examination
6 developed under section 1279g of the revised school code, 1976 PA
7 451, MCL 380.1279g.

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

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

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

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

29 (m) "State approved nonpublic school" means that term as



1 defined in section 6 of the revised school code, 1976 PA 451, MCL
2 380.6.

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

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

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

23 (2) An eligible student may apply to an eligible postsecondary
24 institution to enroll in 1 or more eligible courses offered by that
25 eligible postsecondary institution and, if accepted, may enroll in
26 1 or more of those courses.

27 (3) For an eligible student enrolled in a school district,
28 within a reasonable time after registration, the eligible
29 postsecondary institution shall send written notice to the eligible



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

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

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



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

(5) For an eligible student enrolled in a school district, upon receiving the bill under subsection (4), the school district shall cause to be paid to the eligible postsecondary institution on behalf of the eligible student an amount equal to the lesser of the amount of the eligible charges or the prorated percentage of the statewide pupil-weighted average foundation allowance, as calculated under **this subsection and** section 20 of the state school aid act of 1979, 1979 PA 94, MCL 388.1620, for all school districts for the state fiscal year that begins on October 1 ~~of the~~ **immediately preceding the** academic year of enrollment in the eligible postsecondary institution, with the proration based on the proportion of the school year that the eligible student attends the eligible postsecondary institution. **In determining the proportion of the school year that an eligible student attends an eligible postsecondary institution under this subsection, a school district shall take into account, according to guidelines published by the department under subsection (16), an eligible student's attendance at an eligible postsecondary institution for an eligible course that occurs in whole or in part when the school district is not in session during the summer immediately following that regularly scheduled school year.** However, in the calculation of the statewide pupil-weighted average foundation allowance for the purposes of this subsection, if a school district's foundation allowance is above the ~~basic-target~~ foundation allowance under section 20 of the



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

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



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

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



1 institution.

2 (8) A school district, state approved nonpublic school, or the
3 department may require an eligible student to provide, on a form
4 supplied by the school district, state approved nonpublic school,
5 or the department, reasonable verification that the eligible
6 student is regularly attending a postsecondary course.

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

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

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



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

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

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

24 (11) A school district, state approved nonpublic school, the
25 department, or the department of treasury shall make available to
26 an eligible student copies of all correspondence in the possession
27 of the school district, state approved nonpublic school,
28 department, or department of treasury regarding the eligible
29 student's participation in postsecondary enrollment under this act.



~~Correspondence described in this subsection shall be kept by the~~
The school district, state approved nonpublic school, department,
 or department of treasury **shall keep correspondence described in**
this subsection for at least 1 year.

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

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



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

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

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

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

