

**SUBSTITUTE FOR
HOUSE BILL NO. 5576**

A bill to establish certain financial aid programs for certain residents of this state seeking associate degrees or industry-recognized certificates or credentials from certain educational and jobs training programs; to provide for the administration of the financial aid programs; and to prescribe certain powers and duties of certain state officers, agencies, and departments.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 PART 1

2 Sec. 1. (1) This act shall be known and may be cited as the
3 "Michigan reconnect grant act".

4 (2) The reconnect program and reconnect initiative created
5 respectively in parts 1 and 2 of this act are intended to provide
6 last-dollar financial assistance to individuals age 25 and older



1 seeking associate degrees or industry-recognized certificates or
2 credentials; to provide those individuals with greater access to
3 the education and skills needed to succeed in, and meet the demands
4 of, an evolving economy in which there is continuing demand for a
5 talented local workforce; and to achieve the goal of increasing the
6 number of residents ages 25 to 64 with a college degree or skill
7 certificate or credential to 60% by 2030.

8 Sec. 2. As used in this part:

9 (a) "Center" means the center for educational performance and
10 information created in section 94a of the school aid act of 1979,
11 1979 PA 94, MCL 388.1694a.

12 (b) "Continuous enrollment" means enrollment in at least 2
13 semesters or the equivalent in terms or quarters, as determined by
14 the department, during each 12-month period for a number of
15 consecutive years. For purposes of this subdivision, the 2 or more
16 semesters, terms, or quarters of enrollment within a 12-month
17 period need not be consecutive.

18 (c) "Department" means the department of labor and economic
19 opportunity.

20 (d) "Eligible institution" means a postsecondary educational
21 institution that meets all of the following:

22 (i) Is an accredited public community college in this state.

23 (ii) Complies with applicable restraints on fee and tuition
24 rate increases, if any, provided for in article II of the school
25 aid act of 1979, 1979 PA 94, MCL 388.1801 to 388.1830.

26 (iii) Participates in quality assurance protocols established by
27 the department for purposes of accurately tracking student outcomes
28 described in section 3(g) and (h).

29 (iv) Submits a written report of all of the following



1 information to the department by not later than October 1, 2020 and
2 each year thereafter by not later than June 30:

3 (A) The institution's goals, expressed numerically, for
4 student persistence and credential completion.

5 (B) An inventory of the institution's currently implemented
6 strategies to improve student success outcomes, including guided
7 pathways, proactive advising, and remediation. Regarding
8 remediation, the report must detail the institution's current
9 policy for determining whether a student is to be placed in
10 developmental or credit-bearing courses.

11 (C) Policies for converting prior learning into community
12 college credit wherever possible, including, but not limited to,
13 prior learning demonstrated by coursework completed at the
14 institution or any other postsecondary educational institution,
15 including coursework completed in the distant past, or by college
16 level equivalent courses, college level equivalent credit
17 examinations, military training, education, or certification, or
18 other relevant work or life experience. As used in this sub-
19 subparagraph, "college level equivalent courses" and "college level
20 equivalent credit examinations" mean those terms as described in
21 section 1472 of the revised school code, 1976 PA 451, MCL 380.1472.

22 (v) By not later than January 1, 2022, for Michigan reconnect
23 grant students who need academic remediation, provides accelerated
24 courses aimed at enabling those students to raise their skills to
25 college level and complete credit-bearing courses. To meet this
26 criterion, an eligible institution must provide a remediation
27 program that follows 1 of the following:

28 (A) A corequisite model under which a student concurrently
29 enrolls in a developmental education course and a freshman-level



1 course in the same subject area for each subject area needing
 2 remediation, to be completed concurrently. An institution providing
 3 a remediation program that follows the model described in this sub-
 4 subparagraph or sub-subparagraph (B) or (C) remains eligible
 5 whether or not it charges tuition or fees for the program.

6 (B) A compression model under which a student enrolls in 2 or
 7 more courses, either a combination of developmental and college-
 8 level courses or 2 or more levels of developmental courses, within
 9 a single semester, to be completed sequentially.

10 (C) A modularization model under which the content of 1 or
 11 more developmental courses is divided into discrete sections with a
 12 student assigned to complete only the modules that he or she needs
 13 to qualify for the associated college-level gateway course required
 14 in his or her program of study.

15 (D) An independent model of the institution's own choosing. To
 16 be eligible under this sub-subparagraph, the institution must
 17 provide the remediation program at no charge to students or the
 18 Michigan reconnect grant program.

19 (vi) Provides reasonable accommodations to Michigan reconnect
 20 grant students with disabilities as required by section 504 of
 21 title V of the rehabilitation act of 1973, 29 USC 794, and subtitle
 22 A of title II of the Americans with disabilities act of 1990, 42
 23 USC 12131 to 12134.

24 (vii) Designates an individual employed by the institution as
 25 the institution's primary contact with the department for purposes
 26 of coordinating the administration of the Michigan reconnect grant
 27 program in accordance with this part.

28 (e) "Gift aid" means federal Pell grants under 20 USC 1070a
 29 and tuition incentive program benefits under section 256 of the



1 school aid act of 1979, 1979 PA 94, MCL 388.1856. The term does not
2 include any of the following:

3 (i) Student loans.

4 (ii) Work-study awards.

5 (iii) Qualified withdrawals made from education savings accounts
6 to pay higher education expenses pursuant to the Michigan education
7 savings program act, 2000 PA 161, MCL 390.1471 to 390.1486.

8 (iv) Higher education expenses paid under the Michigan
9 educational trust program, pursuant to the Michigan education trust
10 act, 1986 PA 316, MCL 390.1421 to 390.1442.

11 (v) Higher education expenses paid under the Michigan promise
12 zone authority act, 2008 PA 549, MCL 390.1661 to 390.1679.

13 (f) "Half-time student" means a student enrolled in at least 6
14 credit hours in an academic semester or the equivalent number of
15 credit hours in a term or quarter, as determined by the department.

16 (g) "Industry-recognized certificate or credential" means a
17 certificate or credential that is portable and is sought or
18 accepted by multiple employers within an industry for purposes of
19 recruitment, hiring, or promotion.

20 (h) "Michigan reconnect grant student" means a student
21 admitted to and enrolled in an eligible institution and receiving a
22 Michigan reconnect grant under this part.

23 (i) "Pell-eligible program" means a program eligible for grant
24 funding under 20 USC 1070a.

25 Sec. 3. The Michigan reconnect grant program is created in the
26 department for the purpose of providing Michigan reconnect grants
27 to individuals eligible for those grants under sections 5 and 6.

28 The department shall do all of the following:

29 (a) Develop and administer the program.



1 (b) Create and maintain a program website.

2 (c) Create and maintain a marketing campaign for the program.

3 (d) Operate a help desk for the program.

4 (e) Create and maintain a network of navigators to help
5 Michigan reconnect grant students navigate the path to college,
6 supporting but not supplanting the programming and assistance
7 offered by community colleges.

8 (f) Provide Michigan reconnect grant students with information
9 about skills in demand and related compensation in the local labor
10 market.

11 (g) Partner with the center to report, in a user-friendly
12 format, credential completion outcomes of Michigan reconnect grant
13 students.

14 (h) To facilitate the reporting of valid and reliable
15 longitudinal data under subdivision (g), ensure that all eligible
16 institutions and other individuals and entities that participate in
17 the implementation of the Michigan reconnect grant program use the
18 unique statewide student identification codes issued by the center
19 to track Michigan reconnect grant students in accordance with
20 section 94a of the school aid act of 1979, 1979 PA 94, MCL
21 388.1694a.

22 (i) Select and convene a workgroup to study developmental
23 education placement policies appropriate for eligible institutions,
24 subject to all of the following:

25 (i) The workgroup must include representatives from the
26 governor's office, the legislature, eligible institutions, the
27 department of education, secondary schools, nonprofit
28 organizations, the United States Department of Labor's Office of
29 Apprenticeship, and the business community.



(ii) Not later than 9 months after the effective date of this act, the workgroup shall provide the department with written recommendations that will assist the department in doing all of the following:

(A) Identify placement practices and policies that ensure students know when remediation is required, what types of academic and nonacademic supports will be available during remediation, and when they can expect to complete credit-bearing English and mathematics courses. Policies must emphasize placement in college-level courses for as many students as possible, with students requiring remediation being placed in appropriate programs. For purposes of this sub-subparagraph, on and after January 1, 2022, a remediation program is appropriate only if it complies with section 2(d)(v).

(B) Encourage eligible institutions across this state to adopt consistent placement policies.

(C) Clearly communicate sound policies for course placement and options for remedial courses.

(iii) Following the department's acceptance of the workgroup's recommendations under subparagraph (ii), the workgroup shall disband.

(j) Not later than 6 months after the effective date of this act, organize regional meetings of labor market stakeholders, including business organizations, trade unions, community colleges, Michigan works agencies, private training providers, and regional workforce and economic development representatives, to plan effective ways to ensure that occupational certificates provided by eligible institutions provide skills in demand in the regional labor market.



(k) As part of the department's responsibility to better connect education and training demands in the labor market with qualified degree, training, and apprenticeship programs, facilitate efforts by businesses, unions, and community colleges to effectively match skills provided with those in demand.

(l) By not later than February 1 each year, beginning in 2021, provide a written report detailing the progress of the Michigan reconnect grant program to the chairpersons of the standing committees and the appropriations subcommittees of the house of representatives and senate having jurisdiction over legislation or oversight of appropriations pertaining to workforce development. The report, at minimum, must include all of the following information for the immediately preceding academic year:

(i) The total amount of Michigan reconnect grants awarded to Michigan reconnect grant students.

(ii) The total amount of funding used for oversight and implementation of the Michigan reconnect grant program, including, but not limited to, total funding used for each of the following:

(A) Full-time equated positions.

(B) System improvements.

(C) Training costs.

(iii) The total amount of funding used for program support services, including, but not limited to, total funding used for each of the following:

(A) Full-time equated positions.

(B) Case management.

(C) Technical assistance.

(iv) The total amount of funding used for marketing.

(v) The total number of navigators employed by the department;



1 the total number of navigators assigned to each eligible
2 institution; and the number of Michigan reconnect grant students
3 assigned to each navigator, organized by eligible institution.

4 (vi) The total number of eligible institutions to which
5 Michigan reconnect grants were paid for credit to student accounts
6 under section 7; a list of the names of those eligible
7 institutions; and the total number and amount of Michigan reconnect
8 grants that were awarded, organized by eligible institution.

9 (vii) The total number of individuals who applied for Michigan
10 reconnect grants; the total number of individuals awarded those
11 grants; and the total number of grant recipients who earned either
12 an associate degree or industry-recognized certificate or
13 credential.

14 (viii) Any other relevant information, as determined by the
15 department.

16 Sec. 4. Subject to appropriation, the department may expend
17 Michigan reconnect grant program money to award grants and support
18 its other duties as described in section 3.

19 Sec. 5. To establish initial eligibility for a Michigan
20 reconnect grant, an individual must meet all of the following
21 conditions by the date of his or her enrollment described in
22 subdivision (d):

23 (a) Be at least 25 years old.

24 (b) Be a resident of this state for at least the immediately
25 preceding year.

26 (c) Have graduated from high school with a diploma or
27 certificate of completion or achieved a high school equivalency
28 certificate. As used in this subdivision, "high school equivalency
29 certificate" means that term as defined in section 4 of the school



1 aid act of 1979, 1979 PA 94, MCL 388.1604.

2 (d) Be admitted to, and enrolled as at least a half-time
3 student in, a Pell-eligible program at an eligible institution
4 leading to an associate degree or industry-recognized certificate
5 or credential.

6 (e) Not have previously earned an associate or baccalaureate
7 degree.

8 (f) Timely complete a Michigan reconnect grant application in
9 a form and manner determined by the department.

10 (g) Timely file the Free Application for Federal Student Aid
11 for the enrollment period described in subdivision (d).

12 (h) Timely apply for all available gift aid for the enrollment
13 period described in subdivision (d).

14 Sec. 6. To establish continuing eligibility for a Michigan
15 reconnect grant at an eligible institution, an individual must meet
16 all of the following conditions:

17 (a) Continue to be a resident of this state.

18 (b) Except as otherwise provided in section 8(1), maintain
19 continuous enrollment as at least a half-time student in a Pell-
20 eligible program at an eligible institution leading to an associate
21 degree or industry-recognized certificate or credential.

22 (c) Maintain a 2.0 grade point average in courses taken by the
23 individual as a Michigan reconnect grant student.

24 (d) Participate in relevant academic and career advising
25 programs offered by the eligible institution.

26 (e) Timely file the Free Application for Federal Student Aid
27 for each academic year in which he or she applies for a Michigan
28 reconnect grant.

29 (f) Timely apply for all available gift aid for each academic



1 year in which he or she applies for a Michigan reconnect grant.

2 Sec. 7. Regardless of which community college district that a
3 Michigan reconnect grant student resides in, if any, the amount of
4 a Michigan reconnect grant must not exceed the cost of tuition at
5 the in-district resident rate and mandatory fees at the eligible
6 institution attended less all gift aid. Gift aid must be credited
7 first to the student's tuition and mandatory fees. If awarded,
8 Michigan reconnect grant money must be paid to the eligible
9 institution for credit to the student's account.

10 Sec. 8. (1) A Michigan reconnect grant student who takes a
11 leave of absence from an eligible institution due to a medical or
12 family hardship may, subject to department approval, continue to
13 receive the grant upon resuming the student's education at an
14 eligible institution if the student continues to meet all
15 applicable eligibility requirements. A leave of absence under this
16 subsection does not disrupt the requirement of continuous
17 enrollment under section 6(b) and does not count toward the 4-year
18 limitation described in subsection (2)(a).

19 (2) A student is eligible for a Michigan reconnect grant until
20 the occurrence of either of the following:

21 (a) Subject to subsection (1), 4 years have passed since the
22 student became a Michigan reconnect grant student.

23 (b) The student has earned an associate degree. For purposes
24 of this subdivision, a student who has earned a certificate or
25 credential at an eligible institution remains eligible for the
26 Michigan reconnect grant if he or she has not yet earned an
27 associate degree.

28 (3) A student who participates in the Michigan reconnect grant
29 program may transfer from 1 eligible institution to another



1 eligible institution without loss of the grant so long as the
2 student continues to meet all eligibility requirements for the
3 grant.

4 Sec. 9. Under this part, the department shall promulgate rules
5 to implement sections 3(h) and 5 only, pursuant to the
6 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
7 24.328, subject to all of the following:

8 (a) Under section 3(h), any data reporting system and
9 penalties for noncompliance established by the department must be
10 narrowly tailored to the purposes described in section 3(h).

11 (b) Under section 5, the department is limited to developing
12 the form for the Michigan reconnect grant application and
13 prescribing the time and manner of its completion, as provided in
14 section 5(f), and applying the initial eligibility criteria listed
15 in section 5(a) to (e), (g), and (h). The department shall not
16 apply any initial eligibility criteria not listed in section 5.

17 PART 2

18 Sec. 10. As used in this part:

19 (a) "Department" and "gift aid" mean those terms as defined in
20 section 2.

21 (b) "Qualified occupational training program" means a course
22 of study approved by the department that, subject to subparagraph
23 (vi), prepares students to earn an occupational credential that
24 meets all of subparagraphs (i) to (v), as follows:

25 (i) Is industry recognized.

26 (ii) Is portable and recognized by multiple employers.

27 (iii) Prepares students to successfully pass all relevant
28 certification examinations.

29 (iv) Is in demand in the regional labor market.



1 (v) Is in an occupational area serving manufacturing,
2 construction, information technology, business management, or
3 health care.

4 (vi) If the course of study is provided by an apprenticeship
5 program, the program must be registered with the United States
6 Department of Labor under the national apprenticeship act, 29 USC
7 50 et seq.

8 (c) "Qualified private training institution" means either of
9 the following:

10 (i) A for-profit or nonprofit private organization in this
11 state that provides occupational training, but not 4-year
12 postsecondary degrees, that is included on this state's eligible
13 training provider list located within the department pursuant to 20
14 CFR 680.410.

15 (ii) A consortium of businesses in this state offering
16 occupational training that guarantees employment for those who
17 successfully complete the training and is included on this state's
18 eligible training provider list located within the department
19 pursuant to 20 CFR 680.410.

20 Sec. 11. The reconnect private training learning initiative is
21 created in the department for the purpose of providing skills
22 scholarships to individuals eligible for those scholarships under
23 this section. The department shall do all of the following:

24 (a) Develop and implement a process by which those seeking to
25 participate in the reconnect private training learning initiative
26 as a qualified private training institution offering qualified
27 occupational training programs must apply to the department.

28 (b) Approve as a qualified occupational training program a
29 program for which an application is submitted under subdivision (a)



1 that meets all of the criteria in section 10(b), and post these
2 criteria to the department's website.

3 (c) Ensure that an applicant under subdivision (a) is first
4 included on this state's eligible training provider list as a
5 qualified private training institution under section 10(c), before
6 each of the applicant's programs receives separate approval from
7 the department as being a qualified occupational training program
8 under section 10(b).

9 (d) Require that qualified private training institutions
10 accepted to participate in the reconnect private training learning
11 initiative comply with data requests from the department as a
12 condition to continued participation. For purposes of this
13 subdivision, the department shall require institutions operating
14 apprenticeship programs subject to this part to provide data that
15 tracks relevant work experience required to verify a student's
16 status as an apprentice.

17 (e) Maintain on its website a list of all qualified
18 occupational training program options available to potential skills
19 scholarship recipients.

20 (f) Award skills scholarships, subject to all of the
21 following:

22 (i) A skills scholarship is a 1-time grant not to exceed
23 \$1,500.00 to contribute to tuition costs for a qualified
24 occupational training program at a qualified private training
25 institution, both of which are approved under this section, for a
26 training program participant who meets the requirements of
27 subparagraph (ii). A skills scholarship is available under this
28 section only if the training program participant has applied for
29 all other gift aid, if any is available, and must not cause the



1 total amount of all gift aid, including a skills scholarship
2 awarded under this section, if any, to exceed the full amount of
3 the tuition charged for the training program.

4 (ii) To receive the skills scholarship described in
5 subparagraph (i), a qualified occupational training program
6 participant must meet all of the following:

7 (A) Be at least 25 years old.

8 (B) Be a resident of this state for at least the immediately
9 preceding year.

10 (C) Have graduated from high school with a diploma or
11 certificate of completion or achieved a high school equivalency
12 certificate. As used in this sub-subparagraph, "high school
13 equivalency certificate" means that term as defined in section 4 of
14 the school aid act of 1979, 1979 PA 94, MCL 388.1604.

15 (D) Not have previously earned an associate or baccalaureate
16 degree.

17 (E) Timely complete a reconnect private training learning
18 initiative skills scholarship application in a form and manner
19 determined by the department.

20 (F) Timely apply for all other gift aid, if any is available,
21 for the qualified occupational training program.

22 (iii) The department may award skills scholarships under this
23 section only until money appropriated to the reconnect private
24 training learning initiative has been fully committed.

25 (g) Inform each recipient of a skills scholarship that he or
26 she will remain eligible for the Michigan reconnect grant program
27 created in section 3 to pursue an associate degree or occupational
28 certificate upon completion of a certification course of a study at
29 a qualified private training institution, and that community



1 colleges will work to convert the coursework completed at a
2 qualified private training institution into community college
3 credit wherever possible.

4 Sec. 12. (1) The annual appropriation for the first full year
5 of the reconnect private training learning initiative must not
6 exceed \$1,500,000.00.

7 (2) The department shall annually submit a written report to
8 both houses of the legislature that explains the results of the
9 initiative. The report must include all of the following for the
10 immediately preceding year:

11 (a) The total number of applicants that sought approval as
12 qualified private training institutions under section 11(a) to (c);
13 the total number of institutions approved; a list of the names of
14 those approved institutions; and the total number and amount of
15 skills scholarships that were awarded by each approved institution.

16 (b) The total number of programs for which applications were
17 submitted for approval as qualified occupational training programs
18 under section 11(a) to (c); the total number of programs approved;
19 a list of the names or short descriptions of each of those approved
20 programs; and the total number and amount of skills scholarships
21 that were awarded for each approved program.

22 (c) The total number of individuals who applied for skills
23 scholarships under section 11(f) (ii); the total number of
24 individuals awarded skills scholarships; and the total number of
25 skills scholarships recipients who completed qualified occupational
26 training programs.

27 (d) Any other relevant information, as determined by the
28 department.

29 Sec. 13. Under this part, the department shall promulgate



1 rules to implement section 11(a), (b), and (d) only, pursuant to
2 the administrative procedures act of 1969, 1969 PA 306, MCL 24.201
3 to 24.328, subject to all of the following:

4 (a) Under section 11(a), the department is limited to
5 developing the form for the application described in section 11(a)
6 and prescribing the time and manner of its completion.

7 (b) Under section 11(b), the department is limited to applying
8 the eligibility criteria described in section 11(b) and shall not
9 apply any other eligibility criteria.

10 (c) Under section 11(d), the department is limited to
11 requiring compliance with data requests as described in section
12 11(d) .