

**SENATE 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 Sec. 11. (1) This act shall be known and may be cited as the
2 "Michigan reconnect grant recipient act".

3 (2) The reconnect initiative and the reconnect program created
4 respectively in this act and the Michigan reconnect grant act are
5 intended to provide last-dollar financial assistance to individuals
6 age 25 and older seeking associate degrees or industry-recognized

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

7 Sec. 13. As used in this act:

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

14 (b) "Department" means the department of labor and economic
15 opportunity.

16 (c) "Eligible institution" means that term as defined in the
17 Michigan reconnect grant act.

18 (d) "Gift aid" means that term as defined in the Michigan
19 reconnect grant act.

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

23 (f) "Industry-recognized certificate or credential" means that
24 term as defined in the Michigan reconnect grant act.

25 (g) "Michigan reconnect grant" means a grant awarded under the
26 Michigan reconnect grant program.

27 (h) "Michigan reconnect grant program" means the grant program
28 created under section 5 of the Michigan reconnect grant act.

29 (i) "Michigan reconnect grant student" means that term as

1 defined in the Michigan reconnect grant act.

2 (j) "Pell-eligible program" means a program eligible for grant
3 funding under 20 USC 1070a.

4 (k) "Qualified occupational training program" means a course
5 of study approved by the department that, subject to subparagraph
6 (vi), prepares students to earn an occupational credential that
7 meets all of subparagraphs (i) to (v), as follows:

8 (i) Is industry recognized.

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

10 (iii) Prepares students to successfully pass all relevant
11 certification examinations.

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

13 (v) Is in an occupational area serving manufacturing,
14 construction, information technology, business management, or
15 health care.

16 (vi) If the course of study is provided by an apprenticeship
17 program, the program must be registered with the United States
18 Department of Labor under the national apprenticeship act, 29 USC
19 50 et seq.

20 (l) "Qualified private training institution" means either of
21 the following:

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

27 (ii) A consortium of businesses in this state offering
28 occupational training that guarantees employment for those who

1 successfully complete the training and is included on this state's
2 eligible training provider list located within the department
3 pursuant to 20 CFR 680.410.

4 Sec. 15. To establish initial eligibility for a Michigan
5 reconnect grant, an individual must meet all of the following
6 conditions by the date of his or her enrollment described in
7 subdivision (d):

8 (a) Be at least 25 years old.

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

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

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

20 (e) Not have previously earned an associate or baccalaureate
21 degree.

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

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

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

28 Sec. 16. To establish continuing eligibility for a Michigan
29 reconnect grant at an eligible institution, an individual must meet

1 all of the following conditions:

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

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

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

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

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

14 (f) Timely apply for all available gift aid for each academic
15 year in which he or she applies for a Michigan reconnect grant.

16 Sec. 17. Regardless of which community college district that a
17 Michigan reconnect grant student resides in, if any, the amount of
18 a Michigan reconnect grant must not exceed the cost of tuition at
19 the in-district resident rate and mandatory fees at the eligible
20 institution attended less all gift aid. Gift aid must be credited
21 first to the student's tuition and mandatory fees. If awarded,
22 Michigan reconnect grant money must be paid to the eligible
23 institution for credit to the student's account.

24 Sec. 18. (1) A Michigan reconnect grant student who takes a
25 leave of absence from an eligible institution due to a medical or
26 family hardship may, subject to department approval, continue to
27 receive the grant upon resuming the student's education at an
28 eligible institution if the student continues to meet all
29 applicable eligibility requirements. A leave of absence under this

1 subsection does not disrupt the requirement of continuous
2 enrollment under section 16(b) and does not count toward the 4-year
3 limitation described in subsection (2)(a).

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

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

8 (b) The student has earned an associate degree. For purposes
9 of this subdivision, a student who has earned a certificate or
10 credential at an eligible institution remains eligible for the
11 Michigan reconnect grant if he or she has not yet earned an
12 associate degree.

13 (3) A student who participates in the Michigan reconnect grant
14 program may transfer from 1 eligible institution to another
15 eligible institution without loss of the grant so long as the
16 student continues to meet all eligibility requirements for the
17 grant.

18 Sec. 19. Except as otherwise provided under this section, the
19 department shall promulgate rules to implement section 15 only,
20 pursuant to the administrative procedures act of 1969, 1969 PA 306,
21 MCL 24.201 to 24.328. However, the department's rule-making
22 authority is limited to developing the form for the Michigan
23 reconnect grant application and prescribing the time and manner of
24 its completion, as provided in section 15(f), and applying the
25 initial eligibility criteria listed in section 15(a) to (e), (g),
26 and (h). The department shall not apply any initial eligibility
27 criteria not listed in section 15. To facilitate implementation of
28 the Michigan reconnect grant program prior to final rules being
29 adopted, the department may develop and administer the Michigan

1 reconnect grant application in accordance with its proposed rules
2 or other policy or directive of the department established pursuant
3 to this act

4 Sec. 21. (1) The reconnect private training learning
5 initiative is created in the department for the purpose of
6 providing skills scholarships to individuals eligible for those
7 scholarships under this section. The department shall do all of the
8 following:

9 (a) Develop and implement a process by which those seeking to
10 participate in the reconnect private training learning initiative
11 as a qualified private training institution offering qualified
12 occupational training programs must apply to the department.

13 (b) Approve as a qualified occupational training program a
14 program for which an application is submitted under subdivision (a)
15 that meets all of the criteria in section 13(k), and post these
16 criteria to the department's website.

17 (c) Ensure that an applicant under subdivision (a) is first
18 included on this state's eligible training provider list as a
19 qualified private training institution under section 13(l), before
20 each of the applicant's programs receives separate approval from
21 the department as being a qualified occupational training program
22 under section 13(k).

23 (d) Require that qualified private training institutions
24 accepted to participate in the reconnect private training learning
25 initiative comply with data requests from the department as a
26 condition to continued participation. For purposes of this
27 subdivision, the department shall require institutions operating
28 apprenticeship programs subject to this act to provide data that
29 tracks relevant work experience required to verify a student's

1 status as an apprentice.

2 (e) Maintain on its website a list of all qualified
3 occupational training program options available to potential skills
4 scholarship recipients.

5 (f) Award skills scholarships, subject to all of the
6 following:

7 (i) A skills scholarship is a 1-time grant not to exceed
8 \$1,500.00 to contribute to tuition costs for a qualified
9 occupational training program at a qualified private training
10 institution, both of which are approved under this section, for a
11 training program participant who meets the requirements of
12 subparagraph (ii). A skills scholarship is available under this
13 section only if the training program participant has applied for
14 all other gift aid, if any is available, and must not cause the
15 total amount of all gift aid, including a skills scholarship
16 awarded under this section, if any, to exceed the full amount of
17 the tuition charged for the training program.

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

21 (A) Be at least 25 years old.

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

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

29 (D) Not have previously earned an associate or baccalaureate

1 degree.

2 (E) Timely complete a reconnect private training learning
3 initiative skills scholarship application in a form and manner
4 determined by the department.

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

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

10 (g) Inform each recipient of a skills scholarship that he or
11 she will remain eligible for the Michigan reconnect grant program
12 to pursue an associate degree or occupational certificate upon
13 completion of a certification course of a study at a qualified
14 private training institution, and that community colleges will work
15 to convert the coursework completed at a qualified private training
16 institution into community college credit wherever possible.

17 (2) Except as otherwise provided under subsection (3), the
18 department shall promulgate rules to implement subsection (1)(a),
19 (b), and (d) only, pursuant to the administrative procedures act of
20 1969, 1969 PA 306, MCL 24.201 to 24.328, subject to all of the
21 following:

22 (a) Under subsection (1)(a), the department is limited to
23 developing the form for the application described in subsection
24 (1)(a) and prescribing the time and manner of its completion.

25 (b) Under subsection (1)(b), the department is limited to
26 applying the eligibility criteria described in subsection (1)(b)
27 and shall not apply any other eligibility criteria.

28 (c) Under subsection (1)(d), the department is limited to
29 requiring compliance with data requests as described in subsection

1 (1) (d) .

2 (3) To facilitate implementation of the Michigan reconnect
3 grant program prior to final rules being adopted, the department
4 may develop and administer the reconnect private training learning
5 initiative in accordance with its proposed rules or other policy or
6 directive of the department established pursuant to this act.

7 Sec. 23. (1) The annual appropriation for the first full year
8 of the reconnect private training learning initiative must not
9 exceed \$1,500,000.00.

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

14 (a) The total number of applicants that sought approval as
15 qualified private training institutions under section 21(1) (a) to
16 (c); the total number of institutions approved; a list of the names
17 of those approved institutions; and the total number and amount of
18 skills scholarships that were awarded by each approved institution.

19 (b) The total number of programs for which applications were
20 submitted for approval as qualified occupational training programs
21 under section 21(1) (a) to (c); the total number of programs
22 approved; a list of the names or short descriptions of each of
23 those approved programs; and the total number and amount of skills
24 scholarships that were awarded for each approved program.

25 (c) The total number of individuals who applied for skills
26 scholarships under section 21(1) (f) (ii); the total number of
27 individuals awarded skills scholarships; and the total number of
28 skills scholarships recipients who completed qualified occupational
29 training programs.

1 (d) Any other relevant information, as determined by the
2 department.

3 Enacting section 1. This act does not take effect unless all
4 of the following bills of the 100th Legislature are enacted into
5 law:

6 (a) Senate Bill No. 268.

7 (b) House Bill No. 5580.