

**SUBSTITUTE FOR
HOUSE BILL NO. 4580**

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 236, 236c, 236j, 239, 241, 241a, 241b, 241c,
244, 247, 248, 248a, 252, 254, 255, 256, 259, 260, 269, 270, 270c,
275, 283, 284, 285, and 286 (MCL 388.1836, 388.1836c, 388.1836j,
388.1839, 388.1841, 388.1841a, 388.1841b, 388.1841c, 388.1844,
388.1847, 388.1848, 388.1848a, 388.1852, 388.1854, 388.1855,
388.1856, 388.1859, 388.1860, 388.1869, 388.1870, 388.1870c,
388.1875, 388.1883, 388.1884, 388.1885, and 388.1886), sections
236, 236c, 236j, 241, 241a, 241c, 244, 248, 248a, 252, 254, 255,
256, 259, 260, 269, and 270c as amended and sections 247 and 270 as
added by 2024 PA 120, section 239 as amended by 2012 PA 201,
section 241b as added and sections 275 and 283 as amended by 2023

PA 103, section 284 as amended by 2017 PA 108, and sections 285 and 286 as amended by 2021 PA 86, and by adding sections 241f, 241g, 241h, 241i, 241j, 241k, and 241l; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 236. (1) Subject to the conditions set forth in this
2 article, the amounts listed in this section are appropriated for
3 higher education for the fiscal year ending September 30, ~~2025,~~
4 **2026**, from the funds indicated in this section. The following is a
5 summary of the appropriations in this section and ~~sections 236d and~~
6 **section 236j**:

7 (a) The gross appropriation is ~~\$2,324,292,600.00.~~
8 **\$2,264,207,800.00**. After deducting total interdepartmental grants
9 and intradepartmental transfers in the amount of \$0.00, the
10 adjusted gross appropriation is
11 ~~\$2,324,292,600.00.~~ **\$2,264,207,800.00**.

12 (b) The sources of the adjusted gross appropriation described
13 in subdivision (a) are as follows:

14 (i) Total federal revenues, \$3,200,000.00.

15 (ii) Total local revenues, \$0.00.

16 (iii) Total private revenues, \$0.00.

17 (iv) Total other state restricted revenues,
18 ~~\$461,668,300.00.~~ **\$1,935,771,400.00**.

19 (v) State general fund/general purpose money,
20 ~~\$1,859,424,300.00.~~ **\$325,236,400.00**.

21 (c) The totals and subtotals reflected in subdivisions (a) and
22 (b) do not include amounts appropriated under subsection ~~(7)(f)~~
23 **(6)(e)** or ~~(8)(b)~~ **(7)(b)** to avoid duplicating totals of amounts
24 appropriated in this section and section 236j.

(2) Amounts appropriated for public universities are as follows:

(a) The appropriation for Central Michigan University is ~~\$96,833,700.00, \$93,819,600.00 for operations, \$1,407,300.00 for operations increase, and \$1,606,800.00 for costs incurred under the North American Indian tuition waiver.~~ **\$123,173,800.00, \$118,998,800.00 for operations, \$2,568,200.00 for MPSERS support payment, and \$1,606,800.00 for costs incurred under the North American Indian tuition waiver.**

(b) The appropriation for Eastern Michigan University is ~~\$84,381,000.00, \$82,738,700.00 for operations, \$1,241,100.00 for operations increase, and \$401,200.00 for costs incurred under the North American Indian tuition waiver.~~ **\$107,610,200.00, \$104,944,100.00 for operations, \$2,264,900.00 for MPSERS support payment, and \$401,200.00 for costs incurred under the North American Indian tuition waiver.**

(c) The appropriation for Ferris State University is ~~\$60,548,400.00, \$58,932,300.00 for operations, \$884,000.00 for operations increase, and \$732,100.00 for costs incurred under the North American Indian tuition waiver.~~ **\$77,093,800.00, \$74,748,500.00 for operations, \$1,613,200.00 for MPSERS support payment, and \$732,100.00 for costs incurred under the North American Indian tuition waiver.**

(d) The appropriation for Grand Valley State University is ~~\$98,876,100.00, \$96,111,200.00 for operations, \$1,441,700.00 for operations increase, and \$1,323,200.00 for costs incurred under the North American Indian tuition waiver.~~ **\$123,228,700.00, \$121,905,500.00 for operations, \$0.00 for MPSERS support payment, and \$1,323,200.00 for costs incurred under the North American**

1 **Indian tuition waiver.**

2 (e) The appropriation for Lake Superior State University is
3 ~~\$15,838,800.00, \$14,251,800.00 for operations, \$213,800.00 for~~
4 ~~operations increase, and \$1,373,200.00 for costs incurred under the~~
5 ~~North American Indian tuition waiver.~~**\$19,840,000.00, \$18,076,700.00**
6 **for operations, \$390,100.00 for MPSERS support payment, and**
7 **\$1,373,200.00 for costs incurred under the North American Indian**
8 **tuition waiver.**

9 (f) The appropriation for Michigan State University is
10 ~~\$396,479,600.00, \$316,765,400.00 for operations, \$4,751,500.00 for~~
11 ~~operations increase, \$2,143,100.00 for costs incurred under the~~
12 ~~North American Indian tuition waiver, \$39,096,200.00 for MSU~~
13 ~~AgBioResearch, and \$33,723,400.00 for MSU~~
14 ~~Extension.~~**\$339,892,600.00, \$264,929,900.00 for operations, \$0.00**
15 **for MPSERS support payment, \$2,143,100.00 for costs incurred under**
16 **the North American Indian tuition waiver, \$39,096,200.00 for MSU**
17 **AgBioResearch, and \$33,723,400.00 for MSU Extension.**

18 (g) The appropriation for Michigan Technological University is
19 ~~\$55,245,300.00, \$53,658,800.00 for operations, \$804,900.00 for~~
20 ~~operations increase, and \$781,600.00 for costs incurred under the~~
21 ~~North American Indian tuition waiver.~~**\$70,310,100.00, \$68,059,700.00**
22 **for operations, \$1,468,800.00 for MPSERS support payment, and**
23 **\$781,600.00 for costs incurred under the North American Indian**
24 **tuition waiver.**

25 (h) The appropriation for Northern Michigan University is
26 ~~\$54,263,000.00, \$52,069,300.00 for operations, \$781,000.00 for~~
27 ~~operations increase, and \$1,412,700.00 for costs incurred under the~~
28 ~~North American Indian tuition waiver.~~**\$68,881,600.00, \$66,043,600.00**
29 **for operations, \$1,425,300.00 for MPSERS support payment, and**

1 **\$1,412,700.00 for costs incurred under the North American Indian**
 2 **tuition waiver.**

3 (i) The appropriation for Oakland University is
 4 ~~\$73,327,600.00, \$71,957,000.00 for operations, \$1,079,400.00 for~~
 5 ~~operations increase, and \$291,200.00 for costs incurred under the~~
 6 ~~North American Indian tuition waiver.~~**\$91,560,000.00, \$91,268,800.00**
 7 **for operations, \$0.00 for MPERS support payment, and \$291,200.00**
 8 **for costs incurred under the North American Indian tuition waiver.**

9 (j) The appropriation for Saginaw Valley State University is
 10 ~~\$34,394,500.00, \$33,690,600.00 for operations, \$505,400.00 for~~
 11 ~~operations increase, and \$198,500.00 for costs incurred under the~~
 12 ~~North American Indian tuition waiver.~~**\$42,931,000.00, \$42,732,500.00**
 13 **for operations, \$0.00 for MPERS support payment, and \$198,500.00**
 14 **for costs incurred under the North American Indian tuition waiver.**

15 (k) The appropriation for University of Michigan - Ann Arbor
 16 is ~~\$362,128,600.00, \$355,278,300.00 for operations, \$5,329,000.00~~
 17 ~~for operations increase, and \$1,521,300.00 for costs incurred under~~
 18 ~~the North American Indian tuition waiver.~~**\$127,733,900.00,**
 19 **\$126,212,600.00 for operations, \$0.00 for MPERS support payment,**
 20 **and \$1,521,300.00 for costs incurred under the North American**
 21 **Indian tuition waiver.**

22 (l) The appropriation for University of Michigan - Dearborn is
 23 ~~\$31,722,500.00, \$31,048,000.00 for operations, \$465,700.00 for~~
 24 ~~operations increase, and \$208,800.00 for costs incurred under the~~
 25 ~~North American Indian tuition waiver.~~**\$39,589,400.00, \$39,380,600.00**
 26 **for operations, \$0.00 for MPERS support payment, and \$208,800.00**
 27 **for costs incurred under the North American Indian tuition waiver.**

28 (m) The appropriation for University of Michigan - Flint is
 29 ~~\$26,695,600.00, \$26,013,500.00 for operations, \$390,200.00 for~~

~~operations increase, and \$291,900.00 for costs incurred under the~~
~~North American Indian tuition waiver.~~**\$33,286,900.00, \$32,995,000.00**
for operations, \$0.00 for MPSERS support payment, and \$291,900.00
for costs incurred under the North American Indian tuition waiver.

(n) The appropriation for Wayne State University is
~~\$227,735,900.00, \$223,950,900.00 for operations, \$3,359,300.00 for~~
~~operations increase, and \$425,700.00 for costs incurred under the~~
~~North American Indian tuition waiver.~~**\$284,480,400.00,**
\$284,054,700.00 for operations, \$0.00 for MPSERS support payment,
and \$425,700.00 for costs incurred under the North American Indian
tuition waiver.

(o) The appropriation for Western Michigan University is
~~\$121,845,400.00, \$119,440,200.00 for operations, \$1,791,600.00 for~~
~~operations increase, and \$613,600.00 for costs incurred under the~~
~~North American Indian tuition waiver.~~**\$155,378,600.00,**
\$151,495,500.00 for operations, \$3,269,500.00 for MPSERS support
payment, and \$613,600.00 for costs incurred under the North
American Indian tuition waiver.

(3) The amount appropriated in subsection (2) for public
universities is ~~\$1,740,316,000.00, \$1,704,991,000.00,~~ appropriated
from the following:

(a) State school aid fund, ~~\$443,168,300.00.~~**\$1,178,171,400.00**
of ongoing funding and \$400,000,000.00 of 1-time funding.

(b) State general fund/general purpose money,
~~\$1,297,147,700.00.~~**\$126,819,600.00.**

(4) The amount appropriated for Michigan public school
employees' retirement system reimbursement is \$0.00.

(5) The amount appropriated for state and regional programs is
~~\$316,800.00, \$116,800.00,~~ appropriated from general fund/general

purpose money and allocated ~~as follows:~~

~~(a) Higher education database modernization and conversion,~~
~~\$200,000.00.~~

~~(b) to the~~ Midwestern Higher Education Compact. ~~, \$116,800.00.~~

~~(6) The amount appropriated for the Martin Luther King, Jr. —~~
~~Cesar Chavez — Rosa Parks program is \$2,691,500.00, appropriated~~
~~from general fund/general purpose money and allocated as follows:~~

~~(a) Select student support services, \$1,956,100.00.~~

~~(b) Michigan college/university partnership program,~~
~~\$586,800.00.~~

~~(c) Morris Hood, Jr. educator development program,~~
~~\$148,600.00.~~

(6) ~~(7)~~ Subject to subsection ~~(8)~~, **(7)**, the amount
 appropriated for grants and financial aid is ~~\$542,453,600.00,~~
\$551,500,000.00, allocated as follows:

~~(a) State competitive scholarships, \$19,930,900.00.~~

(a) ~~(b)~~ Tuition grants, ~~\$41,522,700.00.~~ **\$22,000,000.00.**

(b) ~~(c)~~ Tuition incentive program,
~~\$93,800,000.00.~~ **\$122,300,000.00.**

(c) ~~(d)~~ Children of veterans and officer's survivor tuition
 grant programs, \$2,000,000.00.

(d) ~~(e)~~ Project GEAR-UP, \$3,200,000.00.

(e) ~~(f)~~ Michigan achievement scholarships, ~~\$330,000,000.00.~~
\$350,000,000.00. From this amount, up to \$10,000,000.00 may be used
 to award skills scholarships under section 248a.

(f) ~~(g)~~ Michigan reconnect, \$52,000,000.00.

(7) ~~(8)~~ The money appropriated in subsection ~~(7)~~ **(6)** for
 grants and financial aid is appropriated from the following:

(a) Federal revenues under the United States Department of

Education, Office of Elementary and Secondary Education, GEAR-UP program, \$3,200,000.00.

(b) Postsecondary scholarship fund,
~~\$330,000,000.00.~~ **\$350,000,000.00.**

(c) State general fund/general purpose money,
~~\$209,253,600.00.~~ **\$198,300,000.00.**

(d) At the close of the fiscal year, state general fund/general purpose money appropriated in subsection ~~(7)~~ **(6)** for grants and scholarships that is unspent must be deposited into the postsecondary scholarship fund created in section 236j.

(8) ~~(9)~~ For fiscal year ~~2024-2025~~ **2025-2026** only, in addition to the allocation under subsection (4), from the appropriations described in subsection (1), there is allocated an amount not to exceed ~~\$8,500,000.00~~ **\$7,600,000.00** for payments to participating public universities, appropriated from the state school aid fund. A public university that receives money under this subsection shall use that money solely for the purpose of offsetting the normal cost contribution rate. As used in this subsection, "participating public universities" means public universities that are a reporting unit of the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that pay contributions to the Michigan public school employees' retirement system for the state fiscal year.

~~(10) For fiscal year 2024-2025 only, from the appropriation described in subsection (1), \$1,000,000.00 is appropriated from the state general fund/general purpose money for Michigan Transfer Pathways. The department of lifelong education, advancement, and potential shall use funds appropriated under this subsection to~~

1 ~~work with the Michigan Transfer Network, community colleges, public~~
2 ~~universities, and other institutions of higher education in this~~
3 ~~state to facilitate the transfer of students and acceptance of~~
4 ~~credits among these institutions. The department may hire limited~~
5 ~~time FTEs or external consultants with the funds. The funds~~
6 ~~allocated under this subsection for fiscal year 2024-2025 are a~~
7 ~~work project appropriation, and any unexpended funds remaining at~~
8 ~~the end of fiscal year 2024-2025 are carried forward into fiscal~~
9 ~~year 2025-2026, and any unexpended funds remaining at the end of~~
10 ~~fiscal year 2025-2026 are carried forward into fiscal year 2026-~~
11 ~~2027. The purpose of the work project is to support transfer~~
12 ~~pathways at postsecondary institutions in this state. The estimated~~
13 ~~completion date of the work project is September 30, 2027.~~

14 ~~(11) For fiscal year 2024-2025 only, from the appropriation~~
15 ~~described in subsection (1), \$980,000.00 is appropriated from the~~
16 ~~state general fund/general purpose money for the FAFSA completion~~
17 ~~incentive. The department of lifelong education, advancement, and~~
18 ~~potential shall use funds appropriated under this subsection to run~~
19 ~~a promotional activity to promote completing the Free Application~~
20 ~~for Federal Student Aid (FAFSA) for the first time consistent with~~
21 ~~the promotional activity exception provided for in section 372(2)~~
22 ~~of the Michigan penal code, 1931 PA 328, MCL 750.372. The~~
23 ~~promotional activity must offer prize funds that are available to a~~
24 ~~number, chosen by the department, of randomly selected Michigan~~
25 ~~residents who satisfactorily demonstrate to the department that~~
26 ~~they have completed the FAFSA for the first time.~~

27 ~~(12) For fiscal year 2024-2025 only, from the appropriation~~
28 ~~described in subsection (1), \$750,000.00 is appropriated from state~~
29 ~~general fund/general purpose money to Western Michigan University~~

1 ~~to support the Project Clean program.~~

2 ~~(13) For fiscal year 2024-2025 only, from the appropriation~~
3 ~~described in subsection (1), \$70,000.00 is appropriated from state~~
4 ~~general fund/general purpose money to a city with a population~~
5 ~~between 70,000 and 80,000 in a county with a population between~~
6 ~~225,000 and 275,000 according to the most recent federal decennial~~
7 ~~census for investments to improve safety on the campus of a public~~
8 ~~university based in that city.~~

9 ~~(14) For fiscal year 2024-2025 only, subject to section 236r,~~
10 ~~from the appropriation described in subsection (1), \$200,000.00 is~~
11 ~~appropriated from state general fund/general purpose money for an~~
12 ~~education performance study.~~

13 ~~(15) All of the following apply for fiscal year 2024-2025~~
14 ~~only:~~

15 ~~(a) In addition to the allocations under subsections (4) and~~
16 ~~(9), there is allocated an amount not to exceed \$10,000,000.00 for~~
17 ~~payments to participating public universities, appropriated from~~
18 ~~the state school aid fund. A public university that receives money~~
19 ~~under this subsection shall use that money solely for the purpose~~
20 ~~of payments toward the pension and other postemployment benefit~~
21 ~~unfunded actuarial accrued liabilities associated with members and~~
22 ~~pension recipients of those participating public universities.~~

23 ~~(b) The amount allocated in subdivision (a) must be allocated~~
24 ~~to each participating public university based on each participating~~
25 ~~public university's percentage of the total combined payrolls of~~
26 ~~the universities' employees who are members of the retirement~~
27 ~~system and who were hired before January 1, 1996 and the~~
28 ~~universities' employees who would have been members of the~~
29 ~~retirement system on or after January 1, 1996, but for the~~

~~enactment of 1995 PA 272 for all public universities that are participating public universities for the immediately preceding state fiscal year.~~

~~(c) Participating public universities receiving funds under this subsection shall forward an amount equal to the amount allocated under subdivision (a) to the retirement system in a form, manner, and time frame determined by the retirement system.~~

~~(d) Amounts allocated in subdivision (a) must be paid to participating public universities in 1 lump-sum installment no later than October 31, 2024.~~

~~(e) As used in this subsection, "participating public universities" means public universities that are reporting units of the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that pay contributions to the Michigan public school employees' retirement system for the state fiscal year.~~

Sec. 236c. In addition to the funds appropriated for fiscal year ~~2024-2025~~ **2025-2026** in section 236, appropriations to the department of technology, management, and budget in the act providing general appropriations for fiscal year ~~2024-2025~~ **2025-2026** for state building authority rent, totaling an estimated ~~\$140,195,300.00,~~ **\$142,153,900.00**, provide funding for the state share of costs for previously constructed capital projects for state universities. These appropriations for state building authority rent represent additional state general fund support provided to public universities, and the following is an estimate of the amount of that support to each public university:

(a) Central Michigan University,

1 ~~\$12,927,300.00.~~ **\$12,914,000.00.**

2 (b) Eastern Michigan University, ~~\$6,028,200.00.~~ **\$6,022,000.00.**

3 (c) Ferris State University, ~~\$9,555,800.00.~~ **\$9,546,000.00.**

4 (d) Grand Valley State University, ~~\$8,622,800.00.~~ **\$8,614,00.00.**

5 (e) Lake Superior State University,

6 ~~\$2,231,300.00.~~ **\$2,229,000.00.**

7 (f) Michigan State University, ~~\$16,615,000.00.~~ **\$16,598,000.00.**

8 (g) Michigan Technological University,

9 ~~\$5,787,900.00.~~ **\$5,521,000.00.**

10 (h) Northern Michigan University, ~~\$8,917,700.00.~~ **\$9,735,900.00.**

11 (i) Oakland University, ~~\$11,256,500.00.~~ **\$11,245,000.00.**

12 (j) Saginaw Valley State University,

13 ~~\$7,828,000.00.~~ **\$7,820,000.00.**

14 (k) University of Michigan - Ann Arbor,

15 ~~\$12,280,600.00.~~ **\$14,068,000.00.**

16 (l) University of Michigan - Dearborn,

17 ~~\$10,736,000.00.~~ **\$10,725,000.00.**

18 (m) University of Michigan - Flint,

19 ~~\$6,063,200.00.~~ **\$6,057,000.00.**

20 (n) Wayne State University, ~~\$10,082,300.00.~~ **\$10,072,000.00.**

21 (o) Western Michigan University,

22 ~~\$11,262,700.00.~~ **\$10,987,000.00.**

23 Sec. 236j. (1) The postsecondary scholarship fund is created
24 in the department of treasury for the purpose of providing
25 scholarship awards to eligible students who attend eligible
26 postsecondary educational institutions in this state, as provided
27 in subsection (5).

28 (2) The state treasurer may receive money or other assets from
29 any source for deposit into the postsecondary scholarship fund. The

1 state treasurer shall direct the investment of the postsecondary
2 scholarship fund. The state treasurer shall credit to the
3 postsecondary scholarship fund interest and earnings from
4 postsecondary scholarship fund investments.

5 (3) Money in the postsecondary scholarship fund at the close
6 of the fiscal year must remain in the postsecondary scholarship
7 fund and not lapse to the general fund.

8 (4) The department of treasury shall be the administrator of
9 the postsecondary scholarship fund for auditing purposes.

10 (5) Money must be expended from the postsecondary scholarship
11 fund only for the purpose of providing Michigan achievement
12 scholarship awards to eligible students who attend eligible
13 postsecondary educational institutions in this state and for other
14 purposes described in this section. ~~Not more than \$10,000,000.00~~
15 ~~may be used by the department of lifelong education, advancement,~~
16 ~~and potential annually for the purposes of outreach and marketing~~
17 ~~programs as specified in section 248.~~**From the funds appropriated in**
18 **section 236(6) for the Michigan achievement scholarship, the**
19 **department of lifelong education, advancement, and potential may**
20 **use up to \$3,000,000.00 annually for the purposes of outreach**
21 **programs to raise awareness of the Michigan achievement scholarship**
22 **and other state scholarship programs receiving allocations in**
23 **section 236(6). The department of lifelong education, advancement,**
24 **and potential shall ensure that state scholarships are well**
25 **publicized and that high school students are provided information**
26 **on the availability of financial aid. The department of lifelong**
27 **education, advancement, and potential may receive and expend funds**
28 **received from outside sources for scholarships, marketing, or other**
29 **purposes related to scholarships offered by this state. The**

1 **department of lifelong education, advancement, and potential shall**
 2 **provide the necessary funding and staff to fully operate the**
 3 **programs.**

4 (6) For the fiscal year ending September 30, 2025,
 5 ~~\$300,000,000.00 of ongoing funding and \$30,000,000.00 of 1-time~~
 6 ~~funding~~ **2026, \$350,000,000.00 of 1-time funding** is deposited into
 7 the postsecondary scholarship fund from the state ~~general~~
 8 ~~fund/general purpose money.~~ **school aid fund.**

9 ~~(7) It is the intent of the legislature that the postsecondary~~
 10 ~~scholarship fund serves as the primary funding source of the~~
 11 ~~Michigan achievement scholarship. To ensure the Michigan~~
 12 ~~achievement scholarship provides ongoing supports for students, it~~
 13 ~~is the intent of the legislature to increase annual deposits into~~
 14 ~~the postsecondary scholarship fund until the fully implemented~~
 15 ~~costs of the Michigan achievement scholarship are deposited~~
 16 ~~annually into the postsecondary scholarship fund.~~

17 ~~(8) In addition to the appropriations in section 236, if the~~
 18 ~~amount of general fund allocated in section 236(7) is not~~
 19 ~~sufficient to fully fund the awards under section 236(7), there is~~
 20 ~~appropriated from the postsecondary scholarship fund the amount~~
 21 ~~necessary to fully fund those awards. The state budget director~~
 22 ~~shall provide written notification to the house and senate~~
 23 ~~appropriations subcommittee on higher education and the house and~~
 24 ~~senate fiscal agencies prior to any additional appropriation~~
 25 ~~described in this subsection.~~

26 Sec. 239. A public university shall not use funds appropriated
 27 in section 236 for the purchase of foreign goods or services, or
 28 both, if competitively priced and of comparable quality American
 29 goods and services, or both, are available. Preference ~~shall~~ **must**

1 be given to goods or services, or both, manufactured or provided by
 2 Michigan businesses if they are competitively priced and of
 3 comparable value. ~~In addition, preference shall be given to goods~~
 4 ~~or services, or both, that are manufactured or provided by Michigan~~
 5 ~~businesses owned and operated by veterans if they are competitively~~
 6 ~~priced and of comparable quality.~~

7 Sec. 241. Subject to sections 241a, 241b, 241c, ~~241e,~~ **241f,**
 8 **241g, 241h, 241i, 241k, 241l,** and 244, the funds appropriated in
 9 ~~sections~~ **section** 236 ~~and 236d~~ to public universities must be paid
 10 out of the state treasury and distributed by the state treasurer to
 11 the respective institutions in 11 equal monthly installments on the
 12 sixteenth of each month, or the next succeeding business day,
 13 beginning with October 16, ~~2024.~~ **2025.** Except for Wayne State
 14 University, each institution shall accrue its July and August ~~2025~~
 15 **2026** payments to its institutional fiscal year ending June 30,
 16 ~~2025.~~ **2026.**

17 Sec. 241a. (1) All public universities shall submit higher
 18 education institutional data inventory (HEIDI) data and associated
 19 financial aid program information requested by and in a manner
 20 prescribed by the state budget director. For public universities
 21 with fiscal years ending June 30, these data must be submitted to
 22 the state budget director by October 15 of each fiscal year. Public
 23 universities with a fiscal year ending September 30 shall submit
 24 preliminary HEIDI data by November 15 and final data by December
 25 15.

26 (2) It is intended that accountability reporting for public
 27 universities will be streamlined through HEIDI. The state budget
 28 director and the center will work to combine the reporting
 29 requirements outlined in this subsection with the existing HEIDI

1 collection cycle. All of the following must be reported to the
2 house and senate fiscal agencies and the state budget director:

3 (a) Each public university's certification of its compliance
4 with the requirements described in subsections (4) and (5).

5 (b) The reporting requirements described in sections 241b and
6 241c.

7 (3) If a public university fails to submit HEIDI data and
8 associated financial aid program information in accordance with the
9 required reporting schedule, the state treasurer may withhold the
10 monthly **operations** installments under section 241 to the public
11 university until those data are submitted. If a public university
12 does not comply with all of the requirements described in
13 subsections (4) and (5) by the end of the fiscal year, the public
14 university forfeits the amount withheld. The state budget director
15 shall notify the chairs of the house and senate appropriations
16 subcommittees on higher education at least 10 days before
17 withholding funds from any public university. **The state budget**
18 **director shall determine if a public university complies with the**
19 **requirements of this section. If the state budget director finds**
20 **that a public university has not complied with the requirements in**
21 **subsection (4) (k), (l), (m), or (n), the state budget director is**
22 **authorized to withhold 5% of the monthly operations installments**
23 **provided to that public university under section 241 until the**
24 **state budget director finds that the public university has complied**
25 **with the requirements.**

26 (4) No later than October 15 each year, a public university
27 shall maintain a public transparency website available through a
28 link on its website homepage. The website must include all of the
29 following concerning the public university:

1 (a) The annual operating budget and subsequent budget
2 revisions.

3 (b) A summary of current expenditures for the most recent
4 fiscal year for which they are available, expressed as pie charts
5 ~~in the following 2 categories:~~**organized as follows:**

6 (i) A chart of personnel expenditures, broken into the
7 following subcategories:

8 (A) Earnings and wages.

9 (B) Employee benefit costs, including, but not limited to,
10 medical, dental, vision, life, disability, and long-term care
11 benefits.

12 (C) Retirement benefit costs.

13 (D) All other personnel costs.

14 (ii) A chart of all current expenditures the public university
15 reported as part of its higher education institutional data
16 inventory data under subsection (1), broken into the same
17 subcategories in which it reported those data.

18 **(iii) The subcategories in subparagraphs (i) and (ii) must also**
19 **be broken into the following classifications:**

20 **(A) Teachers. As used in this sub-subparagraph, "teachers"**
21 **means employees directly administering or teaching credit hours to**
22 **students, in person or remotely.**

23 **(B) Facilities personnel. As used in this sub-subparagraph,**
24 **"facilities personnel" means employees whose core function is to**
25 **upgrade, clean, or repair capital assets, or who operate as a**
26 **campus law enforcement officer or in a security position.**

27 **(C) Administration personnel. As used in this sub-**
28 **subparagraph, "administration personnel" means employees who are**
29 **not teachers or facilities personnel, as those terms are defined in**

1 **sub-subparagraphs (A) or (B) .**

2 (c) Links to all of the following for the public university:

3 (i) The current collective bargaining agreement for each
4 bargaining unit.

5 (ii) Each health care benefits plan, including, but not limited
6 to, medical, dental, vision, disability, long-term care, or any
7 other type of benefits that would constitute health care services,
8 offered to any bargaining unit or employee of the public
9 university.

10 (iii) Audits and financial reports for the most recent fiscal
11 year for which they are available.

12 (d) General fund revenue and expenditure projections for the
13 current fiscal year and the next fiscal year.

14 (e) A listing of all debt service obligations, detailed by
15 project, anticipated fiscal year payment for each project, and
16 total outstanding debt for the current fiscal year.

17 (f) The institution's policy regarding the transferability of
18 core college courses between community colleges and the public
19 university.

20 (g) A listing of all community colleges that have entered into
21 reverse transfer agreements with the public university.

22 (h) A dashboard or report card demonstrating the public
23 university's performance in several "best practice" measures. The
24 dashboard or report card must include at least all of the following
25 for the 3 most recent academic years for which the data are
26 available:

27 (i) Enrollment.

28 (ii) Student retention rate.

29 (iii) ~~Six-year~~ **Four-, five-, and six-year** graduation rates.

(iv) Number of Pell grant recipients and graduating Pell grant recipients.

(v) Geographic origination of students, categorized as in-state, out-of-state, and international.

(vi) Faculty to student ratios and total public university employee to student ratios.

(vii) Teaching load by faculty classification.

(viii) Graduation outcome rates, including employment and continuing education, **broken down by graduates who remain in this state versus those who leave this state.**

(i) An icon badge that provides statewide consistency and public visibility. For this purpose, public universities shall use the icon badge provided by the department of technology, management, and budget consistent with the icon badge developed by the department of education for K-12 school districts. It must appear on the front of each public university's homepage. The size of the icon may be reduced to 150 x 150 pixels. The font size and style for this reporting must be consistent with other documents on each public university's website.

(j) A collection and report of the number and percentage of all enrolled students who complete the Free Application for Federal Student Aid, broken out by undergraduate and graduate/professional classifications, reported to the center and posted on its website under the budget transparency icon badge.

(k) The name of the current president, the names of the city and state where the president currently resides, and the president's annual salary.

(l) A list of the number of out-of-state students, broken down by state origin.

1 (m) A list of the number of international students, broken
2 down by citizenship of the country of origin.

3 (n) A certification that all enrolled students are in the
4 United States as lawful residents. The certification must make
5 specific reference to the students' visa status and the number of
6 credit hours needed to maintain lawful status. If any enrolled
7 student is not a lawful resident, the institution shall provide
8 that student's information to the director of the department of
9 lifelong education, advancement, and potential.

10 (5) No later than October 15 each year, a public university
11 shall develop, maintain, and update a "campus safety information
12 and resources" link, prominently displayed on the homepage of its
13 website, to a section of its website containing, at a minimum, all
14 of the following information:

15 (a) Emergency contact numbers for police, fire, health, and
16 other services.

17 (b) Hours, locations, telephone numbers, and email contacts
18 for campus public safety offices and title IX offices.

19 (c) A list of safety and security services provided by the
20 public university, including transportation, escort services,
21 building surveillance, anonymous tip lines, and other available
22 security services.

23 (d) The public university's policies applicable to minors on
24 university property.

25 (e) A directory of resources available at the public
26 university or surrounding community for students or employees who
27 are survivors of sexual assault or sexual abuse.

28 (f) An electronic copy of "A Resource Handbook for Campus
29 Sexual Assault Survivors, Friends and Family", published in 2018.

1 (g) Campus security policies and crime statistics pursuant to
2 the student right-to-know and campus security act, Public Law 101-
3 542, 104 Stat 2381. Information must include all material prepared
4 pursuant to the public information reporting requirements under the
5 crime awareness and campus security act of 1990, title II of the
6 student right-to-know and campus security act, Public Law 101-542,
7 104 Stat 2381.

8 Sec. 241b. (1) No later than October 15 each year, each public
9 university that receives an appropriation in section 236 shall
10 report its annual security report, also known as the Clery Act
11 Report, as required under 20 USC 1092(f). Each public university
12 shall include a title IX summary report that includes all of the
13 following information:

14 (a) The amounts and descriptions of all fees incurred in title
15 IX-related civil and criminal litigation.

16 (b) The number of title IX complaints.

17 (c) The average length of time for investigation and
18 resolution of title IX complaints.

19 (d) The aggregate number of title IX cases, investigations,
20 and complaints for each of the categories described in
21 subparagraphs (i) to (v), subject to subparagraph (vi), as follows:

22 (i) Cases investigated for less than 15 days.

23 (ii) Cases investigated for at least 15 days and less than 30
24 days.

25 (iii) Cases investigated for at least 30 days and less than 60
26 days.

27 (iv) Cases investigated for at least 60 days and less than 90
28 days.

29 (v) Cases investigated for 90 days or more.

1 (vi) If, for any category of cases under subparagraphs (i) to
2 (v), there is an aggregate of fewer than 5 cases investigated, the
3 public university shall not report the aggregate number of cases
4 and instead shall report that fewer than 5 cases were investigated.

5 (e) The number of title IX appeals and the resolutions of
6 those appeals.

7 (f) The number of title IX-related complaints filed by the
8 public university with law enforcement agencies.

9 (2) No later than October 15 each year, each public university
10 that receives an appropriation in section 236 shall certify all of
11 the following:

12 (a) The public university complies with federal regulations
13 under title IX, as required by the United States Department of
14 Education, including, but not limited to, the following:

15 (i) Use of medical experts that do not have an actual or
16 apparent conflict of interest.

17 (ii) Issuance of title IX reports to complainants and
18 respondents that are not divergent.

19 (iii) Notification of resources to each individual who reports
20 having experienced sexual assault by a public university member.

21 (iv) Consistent annual training for title IX staff and law
22 enforcement.

23 (b) The public university provides both of the following:

24 (i) An in-person sexual misconduct prevention presentation or
25 course for all freshman and incoming transfer students, which must
26 include contact information for the title IX office of the public
27 university. **For a student who does not have any in-person credit**
28 **hours on campus, the institution may provide the presentation or**
29 **course electronically.**

1 (ii) An online or electronic sexual misconduct prevention
2 presentation or course for all students not considered freshmen or
3 incoming transfer students.

4 (c) The public university had a third party review its title
5 IX compliance office and related policies and procedures by the end
6 of the 2018-2019 academic year. A copy of the third-party review
7 must be transmitted to the state budget director, the house and
8 senate appropriations subcommittees on higher education, and the
9 house and senate fiscal agencies. Each public university shall have
10 a third-party review once every 4 years and a copy of the third-
11 party review must be transmitted to the state budget director, the
12 house and senate appropriations subcommittees on higher education,
13 and the house and senate fiscal agencies.

14 (d) The public university requires that the governing board
15 and the president or chancellor of the public university receive
16 quarterly reports from their title IX coordinator or title IX
17 office. The report must contain aggregated data of the number of
18 sexual misconduct reports that the office received for the academic
19 year, the types of reports received, including reports received
20 against employees, and a summary of the general outcomes of the
21 reports and investigations. A member of the governing board may
22 request to review a title IX investigation report involving a
23 complaint against an employee, and the public university shall
24 provide the report in a manner it considers appropriate. The public
25 university shall protect the complainant's anonymity, and the
26 report must not contain specific identifying information.

27 (e) If allegations against an employee are made in more than 1
28 title IX complaint that resulted in the public university finding
29 that no misconduct occurred, the public university requires that

1 the title IX officer promptly notify the president or chancellor
 2 and a member of the public university's governing board in writing
 3 and take all appropriate steps to ensure that the matter is being
 4 investigated thoroughly, including hiring an outside investigator
 5 for future cases involving that employee. A third-party title IX
 6 investigation under this subdivision does not prohibit the public
 7 university from simultaneously conducting its own title IX
 8 investigation through its own title IX coordinator.

9 (f) The public university's president or chancellor and a
 10 member of its governing board has reviewed all title IX reports
 11 involving the alleged sexual misconduct of an employee of the
 12 public university.

13 **(g) The public university complies with the United States**
 14 **Department of Education's title IX rules concerning due process in**
 15 **sexual misconduct cases.**

16 (3) As used in this section, "sexual misconduct" includes, but
 17 is not limited to, intimate partner violence, nonconsensual sexual
 18 conduct, sexual assault, sexual exploitation, sexual harassment,
 19 and stalking.

20 Sec. 241c. (1) No later than the last business day of August
 21 each year, each public university that receives an appropriation in
 22 section 236 shall submit the amount of tuition and fees actually
 23 charged to a full-time resident undergraduate student for academic
 24 year 2024-2025 as part of the public university's higher education
 25 institutional data inventory (HEIDI) data. A public university
 26 shall report any revisions for any semester of the reported
 27 academic year to HEIDI within 15 days of being adopted.

28 (2) Payments under section 236 for operations ~~increase and~~
 29 ~~under section 236d~~ must be made only to a public university that

1 certifies to the state budget director by the last business day of
2 August each year that its board did not adopt an increase in
3 tuition and fee rates for resident undergraduate students after
4 September 1, ~~2023-2024~~ for the ~~2023-2024-2024-2025~~ academic year
5 and that its board will not adopt an increase in tuition and fee
6 rates for resident undergraduate students for the ~~2024-2025-2025-~~
7 **2026** academic year that is greater than 4.5% or \$703.00, ~~\$735.00~~,
8 whichever is greater. ~~For the academic year 2025-2026, the tuition~~
9 ~~and fee restraint rate for resident undergraduate students is an~~
10 ~~increase of not greater than 4.5% or \$735.00, whichever is greater.~~
11 ~~It is the intent of the legislature that in the next fiscal year,~~
12 ~~the tuition and fee restraint rate will be adjusted only for the~~
13 ~~subsequent academic year.~~ As used in this subsection:

14 (a) "Fee" means any board-authorized fee that will be paid by
15 more than 1/2 of all resident undergraduate students at least once
16 during their enrollment at a public university, as described in the
17 higher education institutional data inventory (HEIDI) user manual.
18 A public university increasing a fee that applies to a specific
19 subset of students or courses shall provide sufficient information
20 to prove that the increase applied to that subset will not cause
21 the increase in the average amount of board-authorized total
22 tuition and fees paid by resident undergraduate students in the
23 ~~2024-2025-2025-2026~~ academic year to exceed the limit established
24 in this subsection.

25 (b) "Tuition and fee rate" means the average of full-time
26 rates paid by a majority of students in each undergraduate class,
27 based on an unweighted average of the rates authorized by the
28 public university board and actually charged to students, deducting
29 any uniformly rebated or refunded amounts, for the 2 semesters with

1 the highest levels of full-time equated resident undergraduate
2 enrollment during the academic year, as described in the higher
3 education institutional data inventory (HEIDI) user manual.

4 (3) Each public university must certify to the state budget
5 director by the last business day of August each year that it
6 complies with all of the following requirements:

7 (a) The public university participates in reverse transfer
8 agreements described in section 286 with at least 3 community
9 colleges in this state.

10 (b) The public university does not and will not apply any of
11 the following criteria when determining whether credits earned
12 outside the public university by a student count toward a degree or
13 certificate program offered by the public university:

14 (i) Whether the credits were earned in a dual enrollment
15 program that counted the credits toward high school graduation
16 requirements.

17 (ii) Whether the credits were earned in a course that was
18 delivered in a high school classroom, community college classroom
19 or campus, or another location.

20 (iii) Whether the credits were earned in a course that was
21 delivered online, in person, or hybrid.

22 (iv) Whether other students enrolled in the course in which the
23 credits were earned were enrolled in high school or counted the
24 course toward high school graduation requirements.

25 (c) The public university actively participates in and submits
26 timely updates to the Michigan Transfer Network created as part of
27 the Michigan Association of Collegiate Registrars and Admissions
28 Officers transfer agreement.

29 **(d) The public university publicly publishes transfer policies**

1 and resources for students on the institution's website in an
2 easily accessible manner and in admissions materials.

3 (e) The public university provides publicly available
4 information on the Michigan Transfer Network, applicable transfer
5 pathways, and financial aid available to transfer students, at no
6 cost to the student.

7 (4) The state budget director shall implement uniform
8 reporting requirements to ensure that a public university receiving
9 a payment under section 236 for operations ~~increase and under~~
10 ~~section 236d~~ has satisfied the tuition restraint requirements of
11 this section. The state budget director has the sole authority to
12 determine if a public university has met the requirements of this
13 section. Information reported by a public university to the state
14 budget director under this subsection must also be reported to the
15 house and senate appropriations subcommittees on higher education
16 and the house and senate fiscal agencies.

17 **Sec. 241f. A public university that receives an appropriation**
18 **in section 236 shall not violate *Students for Fair Admissions, Inc.***
19 ***v. President & Fellows of Harvard College*, 600 U.S. 181 (2023). The**
20 **holding on the merits of the case by the federal district court in**
21 ***Students for Fair Admissions, Inc. v. President & Fellows of***
22 ***Harvard College*, 397 F. Supp. 3d 126 (D. Mass. 2019), is the sole**
23 **determining factor as to whether or not this section is violated. A**
24 **public university that violates this section forfeits 25% of its**
25 **operations funding under section 236. Funds forfeited under this**
26 **section must be redistributed as follows:**

27 (a) 10% to the auditor general for the sole purpose of
28 investigating further allegations of similar or identical
29 violations of this section.

1 (b) 25% to the other public universities that receive an
2 appropriation in section 236.

3 (c) 65% to the state school aid fund.

4 Sec. 241g. (1) It is the intent of the legislature to ensure
5 that all residents of this state are treated equally regardless of
6 their immutable characteristics. Diversity, equity, and inclusion
7 initiatives violate this principle. Therefore, money appropriated
8 to public universities under this article must not be spent to
9 promote diversity, equity, or inclusion. As money is fungible, the
10 source of an expenditure on diversity, equity, or inclusion is
11 irrelevant for the purposes of this section. A sum of money spent
12 on diversity, equity, or inclusion by a public university results
13 in a forfeiture of an equal sum from funds appropriated to that
14 public university, not to exceed the total amount appropriated to
15 that public university under this article. The auditor general is
16 authorized to investigate allegations of violations of this
17 section. Funds forfeited under this section must be redistributed
18 as follows:

19 (a) 10% to the auditor general for the sole purpose of
20 investigating further allegations of similar or identical
21 violations of this section.

22 (b) 25% to the other public universities that receive an
23 appropriation in section 236.

24 (c) 65% to the state school aid fund.

25 (2) The state budget director shall make the determination if
26 a public university violates this section.

27 Sec. 241h. It is the intent of the legislature that taxpayer
28 funds appropriated under this article are to be used to educate
29 public university students and continue maintenance of public

1 university buildings and other assets. The goal of the legislature
2 is that taxpayer funds not be used excessively for administration.
3 Therefore, a public university that receives an appropriation under
4 this act shall not spend more than 10% on administration. A sum of
5 money spent in excess of the 10% cap described in this section by a
6 public university results in a forfeiture of an amount equal to 50%
7 of that sum from funds appropriated to that public university, not
8 to exceed the total amount appropriated to that public university
9 under this article. The auditor general may investigate allegations
10 of violations of this section. Funds forfeited under this section
11 must revert, to the extent permitted by law, to the general fund or
12 the state school aid fund.

13 Sec. 241i. (1) The board of a public university that
14 participates in intercollegiate athletic activities shall designate
15 intercollegiate athletic teams and sports based on the sex of the
16 participants, with separate teams for participants of the female
17 sex within female sports divisions, separate teams for participants
18 of the male sex within male sports divisions, and, if applicable,
19 co-ed teams for participants of the female and male sexes within
20 co-ed sports divisions. A public university shall not knowingly
21 allow individuals of the male sex to participate on athletic teams
22 or in athletic competitions designated for only participants of the
23 female sex. This section must not be construed to restrict the
24 eligibility of any student to participate on any intercollegiate
25 athletic teams or in intercollegiate athletic activities that are
26 designated as male or co-ed. As used in this section:

27 (a) "Female" means an individual of the sex characterized by a
28 reproductive system with the biological function of producing eggs
29 (ova).

1 (b) "Male" means an individual of the sex characterized by a
2 reproductive system with the biological function of producing
3 sperm.

4 (c) "Sex" means an individual's immutable biological
5 classification as male or female.

6 (2) If the state budget director finds that a public
7 university has not complied with this section, the state budget
8 director is authorized to withhold 5% of the monthly operations
9 installments provided to that public university under section 241
10 until the state budget director finds that the public university
11 has complied with this section.

12 Sec. 241j. Each public university that receives an
13 appropriation in section 236 shall post a list of all employees who
14 work remotely, including the employee's title and salary and
15 classification as described in section 241a(4), to the
16 institution's website.

17 Sec. 241k. (1) Each public university that receives an
18 appropriation in section 236 shall publish to the institution's
19 website the average starting salary and the average amount of
20 student loan debt for new graduates, broken down by major or
21 classification of instructional program code, for the most recent
22 academic year.

23 (2) If the state budget director finds that a public
24 university has not complied with this section, the state budget
25 director is authorized to withhold 5% of the monthly operations
26 installments provided to that public university under section 241
27 until the state budget director finds that the public university
28 has complied with this section.

29 Sec. 241l. (1) A public university that receives an

1 appropriation in section 236 shall not have any common area spaces
2 that are restricted by sex or race, except for bathrooms, locker
3 rooms, single-gender on-campus housing, or other similar
4 traditionally sex-segregated facilities. Institutions must not have
5 any public ceremonies or gatherings that are restricted by sex or
6 race.

7 (2) If the state budget director finds that a public
8 university has not complied with this section, the state budget
9 director is authorized to withhold 5% of the monthly operations
10 installments provided to that public university under section 241
11 until the state budget director finds that the public university
12 has complied with this section.

13 Sec. 244. By October 15 of each year, a public university
14 receiving funds in section 236 shall provide its longitudinal data
15 system data set for the preceding academic year to the center for
16 inclusion in the statewide P-20 longitudinal data system described
17 in section 94a. If the state budget director finds that a
18 university has not complied with this section, the state budget
19 director is authorized to withhold the monthly **operations**
20 installments provided to that university under section 241 until
21 the state budget director finds that the university has complied
22 with this section.

23 Sec. 247. ~~(1)~~—The funds appropriated in section 236 for
24 Michigan reconnect must be distributed and administered by the
25 department of lifelong education, advancement, and potential
26 pursuant to the Michigan reconnect grant act, 2020 PA 84, MCL
27 390.1701 to 390.1709, the Michigan reconnect grant recipient act,
28 2020 PA 68, MCL 390.1711 to 390.1723, and the department's
29 administrative procedures for Michigan reconnect.

~~(2) For fiscal year 2024-2025 only, after administering Michigan reconnect pursuant to subsection (1), the department may use any remaining funds appropriated in section 236 for Michigan reconnect for outreach, enrollment support, administration of the program, and grants to institutions of higher education or nonprofit organizations to provide support to reconnect eligible students to increase degree or credential completion.~~

Sec. 248. (1) The funds appropriated in section 236 for Michigan achievement scholarships must be distributed as provided in this section and section 248a, pursuant to the administrative procedures for Michigan achievement scholarships of the department.

(2) As used in this section:

(a) "Cost of attendance" means expenses for a student's tuition, mandatory fees, and contact hours for the student's actual program of study; books, supplies, and equipment required for courses of instruction; housing and food costs; transportation expenses; federal student loan fees; miscellaneous expenses, including a reasonable amount for the documented cost of a personal computer, allowance for child care, or allowance for other dependent care; costs related to a disability; costs of obtaining a license, certification, or first professional credential; and reasonable costs for study abroad programs.

(b) "Department" means the department of lifelong education, advancement, and potential.

(c) "Eligible institution" means a public university that receives an appropriation in section 236, a community college that receives an appropriation in section 201, a federally recognized tribal college in this state, or an independent nonprofit college or university in this state as described in section 1 of 1966 PA

1 313, MCL 390.991.

2 (d) "Gift aid" includes federal Pell grants under 20 USC
 3 1070a, tuition incentive program benefits under section 256, state
 4 tuition grants under section 252, awards received for minimum
 5 payments awarded in subsection (4), ~~higher education~~ **tuition and**
 6 **fee** expenses paid under the Michigan promise zone authority act,
 7 2008 PA 549, MCL 390.1661 to 390.1679, and all other federal,
 8 state, local, or institutional aid in the form of grants,
 9 scholarships, or discounts applied toward tuition and mandatory
 10 fees. Gift aid does not include student loans, work-study awards,
 11 qualified withdrawals made from education savings accounts to pay
 12 higher education expenses pursuant to the Michigan education
 13 savings program act, 2000 PA 161, MCL 390.1471 to 390.1486, **housing**
 14 **and other expenses, other than tuition and fee expenses, paid under**
 15 **the Michigan promise zone authority act, 2008 PA 549, MCL 390.1661**
 16 **to 390.1679**, or higher education expenses paid under the Michigan
 17 education trust program pursuant to the Michigan education trust
 18 act, 1986 PA 316, MCL 390.1421 to 390.1442.

19 (e) "High school equivalency certificate" means that term as
 20 defined in section 4.

21 (f) "Last-dollar payment amount" means 1 of the following:

22 (i) For a student attending a community college or federally
 23 recognized tribal college, an amount equal to the student's
 24 tuition, mandatory fees, and contact hours for the student's actual
 25 program of study, minus all gift aid received by the student.

26 (ii) For a student attending a public university or an
 27 independent nonprofit college or university, or for a student
 28 enrolled in a baccalaureate degree program described in section 121
 29 of the community college act of 1966, 1966 PA 331, MCL 389.121, an

1 amount equal to the student's individual cost of attendance, minus
2 all gift aid received by the student.

3 (g) "Minimum payment" means a payment for any eligible cost
4 within the student's individual cost of attendance. The minimum
5 payment must be awarded as a separate payment not included in the
6 student's need-based financial aid. The minimum payment must not be
7 reduced.

8 (h) "SAI eligible student" means a student who has completed
9 the Free Application for Federal Student Aid and meets at least 1
10 of the following:

11 (i) For awards made during academic year 2023-2024, has an
12 expected family contribution of \$25,000.00 or less. An individual
13 is considered to have met the requirements of subsection (4) if the
14 individual received the Michigan achievement scholarship in
15 academic year 2023-2024, was determined to have an expected family
16 contribution of \$25,000.00 or less in academic year 2023-2024, and
17 has completed the Free Application for Federal Student Aid for the
18 subsequent award cycles.

19 (ii) For awards made during academic year 2024-2025 or a
20 subsequent academic year, has completed the Free Application for
21 Federal Student Aid and has a student aid index number of 1 of the
22 following, as applicable:

23 (A) For a student indicating on the student's Free Application
24 for Federal Student Aid that the student is the only member of the
25 student's household or the student's parents' household attending a
26 postsecondary institution during that academic year, \$30,000.00 or
27 less.

28 (B) For a student indicating on the student's Free Application
29 for Federal Student Aid that the student is not the only member of

the student's household or the student's parents' household attending a postsecondary institution during that academic year, the greater of the number described in sub-subparagraph (A) or guidance determined by the department. For the purposes of this sub-subparagraph, the department, in collaboration with the state budget office and the house and senate fiscal agencies, may calculate a student aid index number or may issue administrative guidance for the student aid index eligibility of students with more than 1 member of the student's household or the student's parents' household attending a postsecondary institution during that academic year. It is intended that the utilization of a student aid index instead of expected family contribution does not adversely impact the eligibility of students with multiple members of the student's household or student's parents' household attending postsecondary institutions. It is further intended that the legislature and executive branch work collaboratively to use Michigan achievement scholarship uptake and other relevant data to establish a more permanent measure of financial need for the Michigan achievement scholarship for subsequent academic years.

(3) An individual must meet all of the following criteria each year to be eligible for a Michigan achievement scholarship awarded under this section:

(a) Maintain residency in this state, as determined for purposes of the Free Application for Federal Student Aid.

(b) ~~Have graduated~~ **During or after 2023, 1 of the following:**

(i) Graduated from high school in this state with a diploma or certificate of completion or achieved a high school equivalency certificate. ~~in 2023 or after.~~

(ii) Maintained residency in this state while attending an out-

1 **of-state high school from which the individual graduated with a**
2 **diploma or certificate of completion, if the individual's parents**
3 **or legal guardian maintained residency in this state while the**
4 **individual attended the out-of-state high school.**

5 (c) Be a full-time undergraduate student at an eligible
6 institution, as defined by that eligible institution, and be a
7 first-time enrollee in an eligible institution during the 2023-2024
8 academic year, or a subsequent academic year, within 15 months
9 after high school graduation or attainment of a high school
10 equivalency certificate or have received a Michigan achievement
11 scholarship in a previous academic year. For the purposes of this
12 subdivision, participation in a dual enrollment, early college, or
13 other similar program while attending high school does not
14 disqualify a student from being considered a first-time enrollee.

15 (d) Maintain satisfactory academic progress, as defined by the
16 eligible institution in which the student is enrolled.

17 (e) Not be in default on a federal student loan.

18 (f) Apply for all available gift aid for each academic year in
19 which the individual applies for a Michigan achievement
20 scholarship.

21 (g) For a student who is enrolled at an eligible institution
22 that is a public university or an independent nonprofit college or
23 university, or who is enrolled in a baccalaureate degree program
24 described in section 121 of the community college act of 1966, 1966
25 PA 331, MCL 389.121, at an eligible institution, be an SAI eligible
26 student.

27 (4) The amount awarded to an eligible student at an eligible
28 institution must equal 1 of the following, as applicable:

29 (a) The amount awarded to an eligible student who is enrolled

1 at an eligible institution that is a community college or federally
2 recognized tribal college where the student is eligible for that
3 institution's in-district tuition rate must be equal to the sum of
4 the last-dollar payment amount. The amount awarded to an eligible
5 student who is eligible for a federal Pell grant under 20 USC 1070a
6 must include an additional amount of \$1,000.00.

7 (b) The amount awarded to an eligible student who is enrolled
8 at an eligible institution that is a community college or federally
9 recognized tribal college where the student is not eligible for
10 that institution's in-district tuition rate must be the lesser of
11 the last-dollar payment amount, or the in-district tuition rate.
12 The amount awarded to an eligible student who is eligible for a
13 federal Pell grant under 20 USC 1070a must include an additional
14 amount of \$1,000.00.

15 (c) The amount awarded to an eligible student who is enrolled
16 at an eligible institution that is a public university or is
17 enrolled in a baccalaureate degree program described in section 121
18 of the community college act of 1966, 1966 PA 331, MCL 389.121, at
19 an eligible institution must equal the sum of following:

20 (i) A minimum payment of \$2,500.00.

21 (ii) The lesser of \$3,000.00 or the student's last-dollar
22 payment amount.

23 (d) The amount awarded to an eligible student at an eligible
24 institution that is an independent nonprofit college or university
25 must equal the sum of the following:

26 (i) A minimum payment of \$2,500.00.

27 (ii) The lesser of \$3,000.00 or the student's last-dollar
28 payment amount.

29 (e) Money awarded under this subsection for a Michigan

1 achievement scholarship must be paid to the eligible institution
2 for credit to the student's account.

3 (5) Subject to section 248a(3)(f)(i), an eligible student may
4 receive a Michigan achievement scholarship award under this section
5 or section 248a for a maximum of 5 academic years, not more than 3
6 of which may be for attending eligible institutions that are
7 community colleges or federally recognized tribal colleges unless
8 the student is enrolled in a baccalaureate degree program described
9 in section 121 of the community college act of 1966, 1966 PA 331,
10 MCL 389.121. A student may not receive an award under this section
11 and section 248a(3)(f)(i) during the same academic year.

12 (6) The department shall work closely with participating
13 institutions to provide the highest level of participation and
14 ensure that all requirements of the program are met.

15 (7) From the funds appropriated in section ~~236(7)~~ **236(6)** for
16 the Michigan achievement scholarships, the department may not use
17 more than ~~\$10,000,000.00~~ **\$3,000,000.00** for the purposes of outreach
18 programs to raise awareness of the Michigan achievement scholarship
19 described in this section and section 248a and shall ensure that
20 Michigan achievement scholarships are well publicized and that high
21 school students are provided information on the program. The
22 department may receive and expend funds received from outside
23 sources for scholarships, marketing, or other purposes related to
24 the Michigan achievement scholarship. The department shall provide
25 the necessary funding and staff to fully operate the program.

26 ~~(8) The department shall convene a workgroup to consider and~~
27 ~~advise the department on implementing policies for administering~~
28 ~~the Michigan achievement scholarship. The workgroup shall include~~
29 ~~participation from the Michigan Association of State Universities~~

~~and its institutional members, the Michigan College Access Network, the Michigan Community College Association and its institutional members, the Michigan Independent Colleges and Universities and its institutional members, and any other interested stakeholders and offices as determined by the department. The workgroup shall make recommendations on packaging order, packaging structure, definitions of terms not otherwise defined in statute, and other administrative regulatory requirements as necessary to implement the Michigan achievement scholarship.~~

(8) ~~(9)~~ The following reporting obligations apply to the Michigan achievement scholarship program:

(a) By February 15 of each year, the department shall provide a written report, organized by eligible institution, to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director that includes the following information for the previous academic year:

(i) The number of students who qualified for a Michigan achievement scholarship.

(ii) The number of students who received a Michigan achievement scholarship.

(iii) The average number of credits earned by students who received a Michigan achievement scholarship.

(iv) The number of Michigan achievement scholarships that were canceled due to failure to maintain satisfactory academic progress as described in subsection (3)(d).

(v) The number of Michigan achievement scholarships that were canceled due to a student ceasing attendance at an eligible institution. The number must not include any known transfers to

1 another eligible institution.

2 (vi) The number of Michigan achievement scholarships that were
3 canceled due to a student's failure to maintain full-time status.

4 (vii) The average Michigan achievement scholarship award per
5 student, delineated by sector, including community colleges, tribal
6 colleges, public universities, independent colleges and
7 universities, and training institutions. As used in this
8 subparagraph, "training institutions" means training institutions
9 accepted to participate in the Michigan achievement scholarship
10 program under section 248a.

11 (b) Each eligible institution whose students receive awards
12 under this section shall cooperate with the department in a timely
13 manner to facilitate the creation of the report under subdivision
14 (a).

15 **(9)** ~~(10)~~ By April 1 of each year, each eligible institution
16 shall submit a report to the department, the state budget office,
17 and the house and senate fiscal agencies providing information as
18 to the average amount of institutional grant aid awarded to full-
19 time first-time undergraduate students for the immediately
20 preceding 2 institution fiscal years. If the average amount of
21 institutional grant aid awarded to full-time first-time
22 undergraduate students in fiscal year ~~2023-2024~~ **2024-2025** is less
23 than the average amount of institutional grant aid awarded to full-
24 time first-time undergraduate students in fiscal year ~~2022-2023,~~
25 **2023-2024**, the institution must include in the report a description
26 of any changes to the institutional financial aid during the 2
27 immediately preceding fiscal years. An institution's report of the
28 average amount of institutional grant aid awarded to full-time
29 first-time undergraduate students pursuant to this subsection must

1 be consistent with data most recently reported to the Integrated
2 Postsecondary Education Data System.

3 **(10)** ~~(11)~~—For each fiscal year, an eligible institution must
4 maintain and report its compliance with the following tuition
5 restraint requirements, as applicable:

6 (a) For an eligible institution that is a community college,
7 the tuition restraint described in section 217b.

8 (b) For an eligible institution that is a public university or
9 independent nonprofit college or university, the tuition restraint
10 described in section 241c.

11 **(11)** ~~(12)~~—The state budget director shall implement reporting
12 requirements to ensure that an eligible institution has satisfied
13 the tuition restraint requirements of this section. The state
14 budget director has the sole authority to determine if an eligible
15 institution has met the requirements of this section.

16 **(12)** ~~(13)~~—If an eligible institution exceeds the applicable
17 tuition restraint level for 2 consecutive years, the state budget
18 director may consider the institution ineligible for funding under
19 this section in the subsequent academic year.

20 **(13)** ~~(14)~~—If an institution is considered ineligible for
21 funding under this section, the state budget director must
22 reevaluate the status of the ineligible institution after 1
23 academic year.

24 **(14)** ~~(15)~~—It is the intent of the legislature that an eligible
25 institution will not make reductive changes to scholarship or
26 financial aid programs offered by that eligible institution that
27 have the goal or net effect of shifting the cost burden of those
28 programs to the program described in this section.

29 Sec. 248a. (1) The funds appropriated in section 236 for

1 Michigan achievement scholarships must be distributed as provided
2 in this section and section 248, pursuant to the administrative
3 procedures for Michigan achievement scholarship private training
4 program of the department.

5 (2) As used in this section:

6 (a) "Department" means the department of lifelong education,
7 advancement, and potential.

8 (b) "High school equivalency certificate" means that term as
9 defined in section 4.

10 (c) "Qualified occupational training program" means that term
11 as defined in section 13 of the Michigan reconnect grant recipient
12 act, 2020 PA 68, MCL 390.1713, or a program that provides not less
13 than 150 clock hours of instructional time over a period of not
14 less than 8 weeks in career-oriented skilled trades instruction in
15 maritime trades, at an independent nonprofit institution
16 incorporated in this state that is nationally accredited and
17 approved for federal financial aid.

18 (3) The department shall do all of the following:

19 (a) Develop and implement a process by which those seeking to
20 participate in the Michigan achievement scholarship private
21 training program as training institutions offering qualified
22 occupational training programs must apply to the department.

23 (b) Approve as a qualified occupational training program a
24 program for which an application is submitted under subdivision (a)
25 that meets all of the criteria to qualify as a qualified
26 occupational training program, and post these criteria to the
27 department's website.

28 (c) Ensure that an applicant under subdivision (a) is first
29 included on this state's eligible training provider list before

1 each of the applicant's programs receives separate approval from
2 the department as being a qualified occupational training program.

3 (d) Require that training institutions accepted to participate
4 in the Michigan achievement scholarship private training program
5 comply with data requests from the department as a condition of
6 continued participation. For purposes of this subdivision, the
7 department shall require institutions operating apprenticeship
8 programs subject to this section to provide data that tracks
9 relevant work experience required to verify a student's status as
10 an apprentice.

11 (e) Maintain on its website a list of all qualified
12 occupational training program options available to potential skills
13 scholarship recipients.

14 (f) Award skills scholarships, subject to all of the
15 following:

16 (i) A skills scholarship is a grant not to exceed \$2,000.00 per
17 year to contribute to tuition costs for a qualified occupational
18 training program at a training institution, both of which are
19 approved under this section, for a training program participant who
20 meets the requirements of subparagraph (ii). A skills scholarship
21 must not exceed the full amount of the tuition charged for the
22 training program. A program participant may receive a skills
23 scholarship under this section for a maximum of 2 academic years.

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

27 (A) Be a resident of this state for at least the immediately
28 preceding year.

29 (B) Have graduated from a high school in this state with a

1 diploma or certificate of completion or achieved a high school
2 equivalency certificate in 2023 or after.

3 (C) Not have previously earned an associate or baccalaureate
4 degree.

5 (D) Not have previously earned a degree, certificate, or other
6 credential using a skills scholarship awarded under this section.

7 (E) Timely complete a Michigan achievement scholarship private
8 training program skills scholarship application in a form and
9 manner determined by the department.

10 (iii) The department may award skills scholarships under this
11 section only until money appropriated to the Michigan achievement
12 scholarship private training program has been fully committed.

13 (g) Inform each recipient of a skills scholarship that the
14 recipient will remain eligible for the Michigan achievement
15 scholarship under section 248 for a maximum of 5 years, less any
16 years of eligibility used for a skills scholarship awarded under
17 this section, to pursue an associate degree, baccalaureate degree,
18 or occupational certificate upon completion of a certification
19 course of study in a qualified occupational training program.

20 ~~(4) Except as otherwise provided in subsection (5), the~~
21 ~~department shall promulgate rules to implement subsection (3) (a),~~
22 ~~(b), and (d) only, pursuant to the administrative procedures act of~~
23 ~~1969, 1969 PA 306, MCL 24.201 to 24.328, subject to all of the~~
24 ~~following:~~

25 ~~(a) Under subsection (3) (a), the department is limited to~~
26 ~~developing the form for the application described in subsection~~
27 ~~(3) (a) and prescribing the time and manner of its completion.~~

28 ~~(b) Under subsection (3) (b), the department is limited to~~
29 ~~applying the eligibility criteria described in subsection (3) (b)~~

1 ~~and shall not apply any other eligibility criteria.~~

2 ~~(c) Under subsection (3)(d), the department is limited to~~
3 ~~requiring compliance with data requests as described in subsection~~
4 ~~(3)(d).~~

5 **(4)** ~~(5)~~ To facilitate implementation of the Michigan
6 achievement scholarship private training program prior to final
7 rules being adopted, the department may develop and administer the
8 program in accordance with its proposed rules or other policy or
9 directive of the department established pursuant to this section.

10 **(5)** ~~(6)~~ It is the intent of the legislature that a training
11 institution will not make changes to scholarship or financial aid
12 programs offered by that training institution that have the goal or
13 net effect of shifting the cost burden of those programs to the
14 program described in this section.

15 Sec. 252. (1) The amounts appropriated in section 236 for the
16 state tuition grant program must be distributed pursuant to 1966 PA
17 313, MCL 390.991 to 390.997a.

18 (2) Tuition grant awards must be made to all eligible Michigan
19 residents enrolled in undergraduate degree programs who are
20 qualified.

21 (3) Pursuant to section 5 of 1966 PA 313, MCL 390.995, and
22 subject to subsections (6) and (7), the department of lifelong
23 education, advancement, and potential shall determine an actual
24 tuition grant award per student, which must be \$3,000.00, that
25 ensures that the aggregate payments for the tuition grant program
26 do not exceed the appropriation contained in section 236 for the
27 state tuition grant program. If the department determines that
28 insufficient funds are available to establish an award amount equal
29 to \$3,000.00, the department shall immediately report to the house

1 and senate appropriations subcommittees on higher education, the
 2 house and senate fiscal agencies, and the state budget director
 3 regarding the estimated amount of additional funds necessary to
 4 establish a \$3,000.00 award amount. If the department determines
 5 that sufficient funds are available to establish an award amount
 6 equal to \$3,000.00, the department shall immediately report to the
 7 house and senate appropriations subcommittees on higher education,
 8 the house and senate fiscal agencies, and the state budget director
 9 regarding the award amount established and the projected amount of
 10 any projected year-end appropriation balance based on that award
 11 amount. By February 18 of each fiscal year, the department shall
 12 analyze the status of award commitments, shall make any necessary
 13 adjustments, and shall confirm that those award commitments will
 14 not exceed the appropriation contained in section 236 for the
 15 tuition grant program. The determination and actions must be
 16 reported to the state budget director and the house and senate
 17 fiscal agencies no later than the final day of February of each
 18 year. If award adjustments are necessary, the students must be
 19 notified of the adjustment by March 4 of each year. ~~Subject to~~
 20 ~~subsection (9), for~~ **For** the purposes of determining a student's
 21 financial need under 1966 PA 313, MCL 390.991 to 390.997a, the
 22 department of lifelong education, advancement, and potential shall
 23 presume that a student who is eligible for the Michigan ~~tuition~~
 24 ~~grant~~ **achievement scholarship** for the first time during academic
 25 year 2024-2025 or any subsequent year, has no need for a state
 26 tuition grant under this section. It is the intent of the
 27 legislature that 1966 PA 313, MCL 390.991 to 390.997a, will be
 28 amended to end tuition grant eligibility of ~~students~~ **a student**
 29 enrolling in college for the first time after the fiscal year

1 ending on September 30, 2024, ~~as those students may be~~ **if the**
2 **student is** eligible for the Michigan achievement scholarship.

3 (4) The department of lifelong education, advancement, and
4 potential shall continue a proportional tuition grant award level
5 for recipients enrolled less than full-time in a given semester or
6 term.

7 (5) If the department of lifelong education, advancement, and
8 potential increases the award per eligible student from that
9 provided in the previous fiscal year, it must not have the effect
10 of reducing the number of eligible students receiving awards in
11 relation to the total number of eligible applicants. Any increase
12 in the grant must be proportional for all eligible students
13 receiving awards for that fiscal year.

14 (6) The department of lifelong education, advancement, and
15 potential shall not award more than \$5,000,000.00 in tuition grants
16 to eligible students enrolled in the same independent nonprofit
17 college or university in this state. Any decrease in the grant must
18 be proportional for all eligible students enrolled in that college
19 or university, as determined by the department.

20 (7) The department of lifelong education, advancement, and
21 potential shall not award tuition grants to otherwise eligible
22 students enrolled in an independent college or university that does
23 not report, in a form and manner directed by and satisfactory to
24 the department of lifelong education, advancement, and potential,
25 by October 31 of each year, all of the following:

26 (a) The number of students in the most recently completed
27 academic year who in any academic year received a state tuition
28 grant at the reporting institution and successfully completed a
29 program or graduated.

(b) The number of students in the most recently completed academic year who in any academic year received a state tuition grant at the reporting institution and took a remedial education class.

(c) The number of students in the most recently completed academic year who in any academic year received a Pell grant at the reporting institution and successfully completed a program or graduated.

(8) By February 1 of each year, each independent college and university participating in the tuition grant program shall report to the house and senate appropriations subcommittees on higher education, the house and senate fiscal agencies, and the state budget director on its efforts to develop and implement sexual assault response training for the institution's title IX coordinator, campus law enforcement personnel, campus public safety personnel, and any other campus personnel charged with responding to on-campus incidents, including information on sexual assault response training materials and the status of implementing sexual assault response training for institutional personnel.

(9) A student who received a scholarship under this section prior to the academic year 2024-2025 may continue to receive a tuition grant award under this section provided that the student meets all other criteria required for the receipt of a tuition grant award.

Sec. 254. The sums appropriated in section 236 for the ~~state competitive scholarship,~~ tuition incentive, tuition grant, Michigan reconnect, and Michigan achievement scholarship programs must be paid out of the state treasury and ~~must be distributed to the~~ respective institutions ~~under a quarterly payment system as~~

1 follows:

2 ~~(a) For the state competitive scholarship and tuition grant~~
 3 ~~programs, 50% must be paid at the beginning of the state's first~~
 4 ~~fiscal quarter, 30% during the state's second fiscal quarter, 10%~~
 5 ~~during the state's third fiscal quarter, and 10% during the state's~~
 6 ~~fourth fiscal quarter.~~

7 ~~(a) (b) For the tuition incentive program, Michigan reconnect,~~
 8 ~~and Michigan achievement scholarship, 65% must be paid at the~~
 9 ~~beginning of the state's first fiscal quarter. , and~~

10 **(b) 35% must be paid** during the state's second fiscal quarter.

11 Sec. 255. The department of lifelong education, advancement,
 12 and potential shall determine the needs analysis criteria for
 13 students to qualify for the ~~state competitive scholarship program~~
 14 ~~and~~ tuition grant program. To be consistent with federal
 15 requirements, the department of lifelong education, advancement,
 16 and potential may take student wages into consideration when
 17 determining the amount of the award.

18 Sec. 256. (1) The funds appropriated in section 236 for the
 19 tuition incentive program must be distributed as provided in this
 20 section and pursuant to the administrative procedures for the
 21 tuition incentive program of the department of lifelong education,
 22 advancement, and potential.

23 (2) As used in this section:

24 (a) "Phase I" means the first part of the tuition incentive
 25 program defined as the academic period of 80 semester or 120 term
 26 credits, or less, leading to an associate degree or certificate.
 27 Students must be enrolled in a certificate or associate degree
 28 program and taking classes within the program of study for a
 29 certificate or associate degree. Tuition will not be covered for

1 courses outside of a certificate or associate degree program.

2 (b) "Phase II" means the second part of the tuition incentive
3 program that provides assistance in the third and fourth year of 4-
4 year degree programs.

5 (c) "Department" means the department of lifelong education,
6 advancement, and potential.

7 (d) "High school equivalency certificate" means that term as
8 defined in section 4.

9 (3) An individual must meet the following basic criteria and
10 financial thresholds to be eligible for tuition incentive program
11 benefits:

12 (a) To be eligible for phase I, an individual must meet all of
13 the following criteria:

14 (i) Be less than 20 years of age at the time the individual
15 graduates from high school with a diploma or certificate of
16 completion or achieves a high school equivalency certificate or,
17 for students attending a 5-year middle college approved by the
18 Michigan department of education, be less than 21 years of age when
19 the individual graduates from high school.

20 (ii) Be a United States citizen and maintain residency in this
21 state, as determined for purposes of the Free Application for
22 Federal Student Aid.

23 (iii) Be at least a half-time student, earning less than 80
24 semester or 120 term credits at a participating educational
25 institution within 4 years of high school graduation or achievement
26 of a high school equivalency certificate. All program eligibility
27 expires 10 years after initial enrollment at a participating
28 educational institution.

29 (iv) Meet the satisfactory academic progress policy of the

1 educational institution attended by the individual.

2 (b) To be eligible for phase II, an individual must meet
3 either of the following criteria in addition to the criteria in
4 subdivision (a):

5 (i) Complete at least 56 transferable semester or 84
6 transferable term credits.

7 (ii) Obtain an associate degree or certificate at a
8 participating institution.

9 (c) To be eligible for phase I or phase II, an individual must
10 be financially eligible as determined by the department. An
11 individual is financially eligible for the tuition incentive
12 program if the individual was eligible for Medicaid from this state
13 for 24 months within any 36 months prior to completion of high
14 school or achievement of a high school equivalency certificate. The
15 department shall accept certification of Medicaid eligibility only
16 from the department of health and human services for the purposes
17 of verifying if a person is Medicaid eligible for 24 months within
18 any 36 months prior to completion of high school or achievement of
19 a high school equivalency certificate. Certification of eligibility
20 may begin in the sixth grade.

21 (4) For phase I, the department shall provide payment on
22 behalf of a person eligible under subsection (3). The department
23 shall only accept standard per-credit hour tuition billings and
24 shall reject billings that are excessive or outside the guidelines
25 for the type of educational institution.

26 (5) For phase I, all of the following apply:

27 (a) Payments for associate degree or certificate programs must
28 not be made for more than 80 semester or 120 term credits for any
29 individual student at any participating institution. The department

1 shall not do either of the following:

2 (i) Adopt or apply any total semester-credit or term-credit
3 maximum that is less than the 80 semester-credit or 120 term-credit
4 maximum provided in this subdivision.

5 (ii) Adopt or apply any per-semester or per-term credit maximum
6 for a student whose semester-credit or term-credit load will not
7 result in exceeding the total 80 semester-credit or 120 term-credit
8 maximum provided in this subdivision.

9 (b) For persons enrolled at a Michigan community college, the
10 department shall pay the current in-district tuition and mandatory
11 fees. For persons residing in an area that is not included in any
12 community college district, the out-of-district tuition rate may be
13 authorized.

14 (c) For persons enrolled at a Michigan public university, the
15 department shall pay lower division resident tuition and mandatory
16 fees for the current year.

17 (d) For persons enrolled at a Michigan independent, nonprofit
18 degree-granting college or university ~~, or a Michigan federal~~
19 ~~tribally controlled community college, or Focus: HOPE,~~ the
20 department shall pay mandatory fees for the current year and a per-
21 credit payment that does not exceed the average community college
22 in-district per-credit tuition rate as reported by the last
23 business day of August for the immediately preceding academic year.

24 (6) A person participating in phase II may be eligible for
25 additional funds not to exceed \$500.00 per semester or \$400.00 per
26 term up to a maximum of \$2,000.00 subject to the following
27 conditions:

28 (a) Credits are earned in a 4-year program at a Michigan
29 degree-granting 4-year college or university.

1 (b) The tuition reimbursement is for coursework completed
2 within 30 months of completion of the phase I requirements.

3 (7) The department shall work closely with participating
4 institutions to provide the highest level of participation and
5 ensure that all requirements of the program are met.

6 (8) The department shall notify students **in an age-appropriate**
7 **manner** of their financial eligibility for the program any time
8 after the student begins ~~sixth~~**ninth** grade.

9 (9) Except as otherwise provided in sections 13(c) and 17 of
10 the Michigan reconnect grant recipient act, 2020 PA 68, MCL
11 390.1713 and 390.1717, each institution shall ensure that all known
12 available restricted grants for tuition and fees are used before
13 billing the tuition incentive program for any portion of a
14 student's tuition and fees.

15 (10) The department shall ensure that the tuition incentive
16 program is well publicized and that eligible Medicaid clients are
17 provided information on the program. The department shall provide
18 the necessary funding and staff to fully operate the program.

19 (11) The department shall collaborate with the center to use
20 the P-20 longitudinal data system to report the following
21 information for each qualified postsecondary institution:

22 (a) The number of phase I students in the most recently
23 completed academic year who in any academic year received a tuition
24 incentive program award and who successfully completed a degree or
25 certificate program. Cohort graduation rates for phase I students
26 must be calculated using the established success rate methodology
27 developed by the center in collaboration with the postsecondary
28 institutions.

29 (b) The number of students in the most recently completed

1 academic year who in any academic year received a Pell grant at the
2 reporting institution and who successfully completed a degree or
3 certificate program. Cohort graduation rates for students who
4 received Pell grants must be calculated using the established
5 success rate methodology developed by the center in collaboration
6 with the postsecondary institutions.

7 (12) If a qualified postsecondary institution does not report
8 the data necessary to complete the reporting in subsection (11) to
9 the P-20 longitudinal data system by October 15 for the prior
10 academic year, the department shall not award phase I tuition
11 incentive program funding to otherwise eligible students enrolled
12 in that institution until the data are submitted.

13 Sec. 259. The department of lifelong education, advancement,
14 and potential shall continue ~~an aggressive-a~~ campaign to inform
15 high school students about the financial aid programs offered by
16 this state and the eligibility requirements for participation in
17 those financial aid programs, including free or reduced tuition
18 programs provided by community colleges and universities in this
19 state.

20 Sec. 260. (1) The department of lifelong education,
21 advancement, and potential shall work with student and
22 postsecondary education groups, including the Michigan College
23 Access Network, the Michigan Association of School Counselors, the
24 Michigan Association of State Universities, the Michigan Community
25 College Association, and the Michigan Independent Colleges and
26 Universities, to provide and update an online informational
27 resource for students in grades 9 through 12 and prospective and
28 current students and families. The online informational resource
29 must be a website or a portion of an existing website titled

1 "Paying for College in Michigan" and designed and maintained by the
2 department of lifelong education, advancement, and potential that,
3 to the extent practicable, contains information, including, but not
4 limited to, all of the following:

5 (a) A list of public and private community support centers,
6 student debt clinics, and other organizations and their contact
7 information submitted by Michigan College Access Network that
8 provides free information and services for student loan borrowers
9 to help educate them about repayment options and to help them
10 access student loan programs or benefits for which they may be
11 eligible.

12 (b) Links to state and federal financial aid programs,
13 including FAFSA and College Scorecard.

14 (c) Links to each promise zone website and the financial aid
15 website to each community college, public university, and
16 independent college and university in this state.

17 (d) Benefits of federal student loans that may no longer be
18 available if a borrower refinances a loan.

19 (e) Direct links to net price calculators for each community
20 college receiving an appropriation in section 201 and each public
21 university receiving an appropriation in section 236.

22 (f) Definitions that clearly delineate the differences between
23 scholarships, grants, and loans.

24 (g) A description of net price calculators and how to use them
25 to create a personalized estimate of a student's out-of-pocket cost
26 for the coming year based on basic family and financial information
27 and likely financial aid eligibility.

28 (h) Information on the fundamentals of borrowing and
29 repayment, including, but not limited to, all of the following:

- 1 (i) A link to the federal Public Service Loan Forgiveness
- 2 Program or other state or federal loan forgiveness programs.
- 3 (ii) Deciding how much to borrow.
- 4 (iii) Creating a plan for borrowing and repayment.
- 5 (iv) Estimating how much borrowing is needed for a given school
- 6 year.
- 7 (v) Factors that affect total student loan costs.
- 8 (vi) Tips for graduating with less student loan debt.
- 9 (vii) A loan payment calculator or a link to a loan payment
- 10 calculator that can be used for different types of loans.
- 11 (viii) Links to federal student loan entrance and exit
- 12 counseling services and the FACT tool.
- 13 (ix) Student loan debt relief scams.
- 14 (i) Loan amortization information.
- 15 **(j) The average starting salary and the average amount of**
- 16 **student loan debt for new graduates, broken down by major or**
- 17 **classification of instructional program code, for the most recent**
- 18 **academic year.**
- 19 (2) A public university receiving an appropriation in section
- 20 236 shall place a prominent link to the website created under this
- 21 section on its website homepage.
- 22 (3) Independent colleges and universities in this state are
- 23 encouraged to place a link to the website created under this
- 24 section on their website homepages.
- 25 (4) By November 1 of each year, the department of lifelong
- 26 education, advancement, and potential shall inform each high school
- 27 in this state about the website described in this section and
- 28 encourage them to distribute the information to all students in
- 29 grades 9 through 12.

1 (5) The department shall audit the website not less than once
2 per ~~year~~**month** to ensure links continue to be accurate, active, and
3 up-to-date for students and families.

4 Sec. 269. For fiscal year ~~2024-2025~~,**2025-2026**, from the
5 amount appropriated in section 236 to Central Michigan University
6 for costs incurred under the North American Indian tuition waiver,
7 \$76,300.00 must be paid to Saginaw Chippewa Tribal College for the
8 costs of waiving tuition for North American Indians under 1976 PA
9 174, MCL 390.1251 to 390.1253. It is the intent of the legislature
10 that Saginaw Chippewa Tribal College provide the department of
11 lifelong education, advancement, and potential the necessary
12 information for the college to be included in the report required
13 under section 268.

14 Sec. 270. For fiscal year ~~2024-2025~~,**2025-2026**, from the
15 amount appropriated in section 236 to Lake Superior State
16 University for costs incurred under the North American Indian
17 tuition waiver, \$498,800.00 must be paid to Bay Mills Community
18 College for the costs of waiving tuition for North American Indians
19 under 1976 PA 174, MCL 390.1251 to 390.1253. It is the intent of
20 the legislature that Bay Mills Community College provide the
21 department of lifelong education, advancement, and potential the
22 necessary information for the college to be included in the report
23 required under section 268.

24 Sec. 270c. For fiscal year ~~2024-2025~~,**2025-2026**, from the
25 amount appropriated in section 236 to Northern Michigan University
26 for costs incurred under the North American Indian tuition waiver,
27 \$155,200.00 is to be paid to Keweenaw Bay Ojibwa Community College
28 for the costs of waiving tuition for North American Indians under
29 1976 PA 174, MCL 390.1251 to 390.1253. It is the intent of the

1 legislature that Keweenaw Bay Ojibwa Community College provide the
 2 department of lifelong education, advancement, and potential the
 3 necessary information for the community college to be included in
 4 the report required under section 268.

5 Sec. 275. (1) Each public university that receives an
 6 appropriation in section 236 shall do all of the following:

7 (a) Meet the provisions of section 5003 of the post-911
 8 veterans educational assistance act of 2008, 38 USC 3301 to 3327,
 9 including voluntary participation in the Yellow Ribbon GI Education
 10 Enhancement Program established in that act in 38 USC 3317.

11 (b) Establish an on-campus veterans' liaison to provide
 12 information and assistance to all student veterans.

13 (c) Provide flexible enrollment application deadlines for all
 14 veterans.

15 (d) Include in its admission application process a specific
 16 question as to whether an applicant for admission is a veteran, an
 17 active member of the military, a member of the national guard or
 18 military reserves, or the spouse or dependent of a veteran, active
 19 member of the military, or member of the national guard or military
 20 reserves, in order to more quickly identify potential educational
 21 assistance available to that applicant.

22 ~~(e) Consider all veterans residents of this state for~~
 23 ~~determining their tuition rates and fees.~~

24 **(e)** ~~(f)~~ Waive enrollment fees for all veterans.

25 **(f)** ~~(g)~~ Provide reasonable programming and scheduling
 26 accommodations necessary to facilitate a student's military,
 27 national guard, or military reserves duties and training
 28 obligations.

29 **(g)** ~~(h)~~ Provide college level equivalent credit examination

1 opportunities for veterans and active members of the military,
2 national guard, or military reserves within the first semester of
3 enrollment.

4 **(h)** ~~(i)~~—Grant college credit for, or create a structure that
5 evaluates granting college credit for, the service background and
6 experience of veterans and members of the military, national guard,
7 or military reserves.

8 (2) As used in this section, "veteran" means an honorably
9 discharged veteran entitled to educational assistance under section
10 5003 of the post-911 veterans educational assistance act of 2008,
11 38 USC 3301 to 3327.

12 Sec. 283. (1) Using the data provided to the center as
13 required by section 244 of this act, the center shall use the P-20
14 longitudinal data system to inform interested Michigan high schools
15 and the public regarding the aggregate academic status of its
16 students. The center shall work with the public universities and
17 the Michigan Association of State Universities and in cooperation
18 with the Michigan Association of Secondary School Principals.

19 (2) Michigan high schools shall systematically inform the
20 public universities about the use of information received under
21 this section in a manner prescribed by the Michigan Association of
22 Secondary School Principals in cooperation with the Michigan
23 Association of State Universities.

24 (3) The center shall conduct a review of the statewide
25 longitudinal data system and associated data collection processes
26 to identify strategies that would allow for the legal dissemination
27 of student directory information for all students in grades 11 and
28 12 to Michigan public and independent nonprofit postsecondary
29 institutions. ~~The center shall collaborate with relevant~~

1 ~~stakeholders to recommend a process to share this data by June 30,~~
2 ~~2024.~~

3 Sec. 284. Using data provided to the center as required by
4 section 244 of this act, the center shall use the P-20 longitudinal
5 data system to inform Michigan community colleges regarding the
6 academic status of community college transfer students. The center
7 shall work with the **department of lifelong education, advancement,**
8 **and potential, the** universities, and the Michigan Association of
9 State Universities in cooperation with the Michigan Community
10 College Association.

11 Sec. 285. From the funds appropriated in section 236(2),
12 public universities shall work with the state community colleges to
13 encourage the transfer of students from the community colleges to
14 the public universities and to facilitate the transfer of credits
15 from the community colleges to those public universities. **Each**
16 **public university receiving appropriations under section 236 shall**
17 **consult with the department of lifelong education, advancement, and**
18 **potential at least once an academic quarter on the policies and**
19 **services the institution implements regarding transfer credits and**
20 **transfer students.**

21 Sec. 286. From the funds appropriated in section 236(2),
22 public universities shall work with community colleges in this
23 state to implement statewide reverse transfer agreements to
24 increase the number of students that are awarded credentials of
25 value upon completion of the necessary credits. These statewide
26 agreements ~~shall~~**must** enable students who have earned a significant
27 number of credits at a community college and transfer to a
28 baccalaureate granting institution before completing a degree to
29 transfer the credits earned at the baccalaureate institution back

1 to the community college in order to be awarded a credential of
2 value. **Each public university receiving appropriations under**
3 **section 236 must consult with the department of lifelong education,**
4 **advancement, and potential at least once an academic quarter on the**
5 **policies and services the institution implements regarding reverse**
6 **transfer agreements.**

7 Enacting section 1. In accordance with section 30 of article
8 IX of the state constitution of 1963, total state spending from
9 state sources for higher education for fiscal year 2025-2026 under
10 article III of the state school aid act of 1979, 1979 PA 94, MCL
11 388.1836 to 388.1891, as amended by this amendatory act, is
12 estimated at \$2,261,007,800.00 and the amount of that state
13 spending from state sources to be paid to local units of government
14 for fiscal year 2025-2026 is estimated at \$0.00.

15 Enacting section 2. Sections 236d, 236f, 236n, 236r, 241e,
16 251, 261, 263, 263b, 264, 275j, 275k, 276, 277, 278, 279, 280, 281,
17 and 282 of the state school aid act of 1979, 1979 PA 94, MCL
18 388.1836d, 388.1836f, 388.1836n, 388.1836r, 388.1841e, 388.1851,
19 388.1861, 388.1863, 388.1863b, 388.1864, 388.1875j, 388.1875k,
20 388.1876, 388.1877, 388.1878, 388.1879, 388.1880, 388.1881, and
21 388.1882, are repealed effective October 1, 2025.

22 Enacting section 3. This amendatory act takes effect October
23 1, 2025.