

**SUBSTITUTE FOR
SENATE BILL NO. 167**

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 236, 236c, 236j, 239, 241, 241a, 241c, 241e,
244, 247, 248, 254, 263, 263b, 264, 268, 269, 270, 270c, 275k, 276,
277, 278, 279, 280, 281, 282, 283, 284, 285, 286, and 287 (MCL
388.1836, 388.1836c, 388.1836j, 388.1839, 388.1841, 388.1841a,
388.1841c, 388.1841e, 388.1844, 388.1847, 388.1848, 388.1854,
388.1863, 388.1863b, 388.1864, 388.1868, 388.1869, 388.1870,
388.1870c, 388.1875k, 388.1876, 388.1877, 388.1878, 388.1879,
388.1880, 388.1881, 388.1882, 388.1883, 388.1884, 388.1885,
388.1886, and 388.1887), sections 236, 236c, 236j, 241, 241a, 241c,
244, 248, 254, 263, 263b, 264, 268, 269, 270c, 275k, 276, 277, 278,
279, 280, 281, and 282 as amended and sections 241e, 247, 270, and

287 as added by 2024 PA 120, section 239 as amended by 2012 PA 201, section 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 236m, 236s, 241f, 241g, 275l, 275n, and 275o; 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 **\$2,412,322,700.00**. 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.~~ **\$2,412,322,700.00**.

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.~~ **\$602,177,700.00**.

19 (v) State general fund/general purpose money,
20 ~~\$1,859,424,300.00.~~ **\$1,806,945,000.00**.

21 (c) The totals and subtotals reflected in subdivisions (a) and
22 (b) do not include amounts appropriated under subsection (7)(f) or
23 (8)(b) to avoid duplicating totals of amounts appropriated in this

1 section and section 236j.

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

4 (a) The appropriation for Central Michigan University is
5 ~~\$96,833,700.00, \$93,819,600.00 for operations, \$1,407,300.00 for~~
6 ~~operations increase, and \$1,606,800.00 for costs incurred under the~~
7 ~~North American Indian tuition waiver.~~**\$99,792,300.00, \$95,226,900.00**
8 **for operations, \$2,885,000.00 for operations increase, and**
9 **\$1,680,400.00 for costs incurred under the North American Indian**
10 **tuition waiver.**

11 (b) The appropriation for Eastern Michigan University is
12 ~~\$84,381,000.00, \$82,738,700.00 for operations, \$1,241,100.00 for~~
13 ~~operations increase, and \$401,200.00 for costs incurred under the~~
14 ~~North American Indian tuition waiver.~~**\$86,936,900.00, \$83,979,800.00**
15 **for operations, \$2,544,200.00 for operations increase, and**
16 **\$412,900.00 for costs incurred under the North American Indian**
17 **tuition waiver.**

18 (c) The appropriation for Ferris State University is
19 ~~\$60,548,400.00, \$58,932,300.00 for operations, \$884,000.00 for~~
20 ~~operations increase, and \$732,100.00 for costs incurred under the~~
21 ~~North American Indian tuition waiver.~~**\$62,426,800.00, \$59,816,300.00**
22 **for operations, \$1,812,200.00 for operations increase, and**
23 **\$798,300.00 for costs incurred under the North American Indian**
24 **tuition waiver.**

25 (d) The appropriation for Grand Valley State University is
26 ~~\$98,876,100.00, \$96,111,200.00 for operations, \$1,441,700.00 for~~
27 ~~operations increase, and \$1,323,200.00 for costs incurred under the~~
28 ~~North American Indian tuition waiver.~~**\$101,727,400.00,**
29 **\$97,552,900.00 for operations, \$2,955,400.00 for operations**

1 **increase, and \$1,219,100.00 for costs incurred under the North**
 2 **American Indian tuition waiver.**

3 (e) The appropriation for Lake Superior State University is
 4 ~~\$15,838,800.00, \$14,251,800.00 for operations, \$213,800.00 for~~
 5 ~~operations increase, and \$1,373,200.00 for costs incurred under the~~
 6 ~~North American Indian tuition waiver.~~**\$16,351,000.00, \$14,465,600.00**
 7 **for operations, \$438,300.00 for operations increase, and**
 8 **\$1,447,100.00 for costs incurred under the North American Indian**
 9 **tuition waiver.**

10 (f) The appropriation for Michigan State University is
 11 ~~\$396,479,600.00, \$316,765,400.00 for operations, \$4,751,500.00 for~~
 12 ~~operations increase, \$2,143,100.00 for costs incurred under the~~
 13 ~~North American Indian tuition waiver, \$39,096,200.00 for MSU~~
 14 ~~AgBioResearch, and \$33,723,400.00 for MSU~~
 15 ~~Extension.~~**\$408,791,900.00, \$321,516,900.00 for operations,**
 16 **\$9,740,500.00 for operations increase, \$2,508,800.00 for costs**
 17 **incurred under the North American Indian tuition waiver,**
 18 **\$40,280,600.00 for MSU AgBioResearch, and \$34,745,100.00 for MSU**
 19 **Extension.**

20 (g) The appropriation for Michigan Technological University is
 21 ~~\$55,245,300.00, \$53,658,800.00 for operations, \$804,900.00 for~~
 22 ~~operations increase, and \$781,600.00 for costs incurred under the~~
 23 ~~North American Indian tuition waiver.~~**\$56,845,600.00, \$54,463,700.00**
 24 **for operations, \$1,650,000.00 for operations increase, and**
 25 **\$731,900.00 for costs incurred under the North American Indian**
 26 **tuition waiver.**

27 (h) The appropriation for Northern Michigan University is
 28 ~~\$54,263,000.00, \$52,069,300.00 for operations, \$781,000.00 for~~
 29 ~~operations increase, and \$1,412,700.00 for costs incurred under the~~

~~North American Indian tuition waiver.~~**\$55,869,200.00, \$52,850,300.00**
for operations, \$1,601,100.00 for operations increase, and
\$1,417,800.00 for costs incurred under the North American Indian
tuition waiver.

(i) The appropriation for Oakland University is
~~\$73,327,600.00, \$71,957,000.00 for operations, \$1,079,400.00 for~~
~~operations increase, and \$291,200.00 for costs incurred under the~~
~~North American Indian tuition waiver.~~**\$75,574,300.00, \$73,036,400.00**
for operations, \$2,212,700.00 for operations increase, and
\$325,200.00 for costs incurred under the North American Indian
tuition waiver.

(j) The appropriation for Saginaw Valley State University is
~~\$34,394,500.00, \$33,690,600.00 for operations, \$505,400.00 for~~
~~operations increase, and \$198,500.00 for costs incurred under the~~
~~North American Indian tuition waiver.~~**\$35,415,000.00, \$34,196,000.00**
for operations, \$1,036,000.00 for operations increase, and
\$183,000.00 for costs incurred under the North American Indian
tuition waiver.

(k) The appropriation for University of Michigan - Ann Arbor
is ~~\$362,128,600.00, \$355,278,300.00 for operations, \$5,329,000.00~~
~~for operations increase, and \$1,521,300.00 for costs incurred under~~
~~the North American Indian tuition waiver.~~**\$373,432,700.00,**
\$360,607,300.00 for operations, \$10,924,800.00 for operations
increase, and \$1,900,600.00 for costs incurred under the North
American Indian tuition waiver.

(l) The appropriation for University of Michigan - Dearborn is
~~\$31,722,500.00, \$31,048,000.00 for operations, \$465,700.00 for~~
~~operations increase, and \$208,800.00 for costs incurred under the~~
~~North American Indian tuition waiver.~~**\$32,662,700.00, \$31,513,700.00**

1 **for operations, \$954,700.00 for operations increase, and**
 2 **\$194,300.00 for costs incurred under the North American Indian**
 3 **tuition waiver.**

4 (m) The appropriation for University of Michigan - Flint is
 5 ~~\$26,695,600.00, \$26,013,500.00 for operations, \$390,200.00 for~~
 6 ~~operations increase, and \$291,900.00 for costs incurred under the~~
 7 ~~North American Indian tuition waiver.~~**\$27,684,500.00, \$26,403,700.00**
 8 **for operations, \$799,900.00 for operations increase, and**
 9 **\$480,900.00 for costs incurred under the North American Indian**
 10 **tuition waiver.**

11 (n) The appropriation for Wayne State University is
 12 ~~\$227,735,900.00, \$223,950,900.00 for operations, \$3,359,300.00 for~~
 13 ~~operations increase, and \$425,700.00 for costs incurred under the~~
 14 ~~North American Indian tuition waiver.~~**\$234,673,800.00,**
 15 **\$227,310,200.00 for operations, \$6,886,500.00 for operations**
 16 **increase, and \$477,100.00 for costs incurred under the North**
 17 **American Indian tuition waiver.**

18 (o) The appropriation for Western Michigan University is
 19 ~~\$121,845,400.00, \$119,440,200.00 for operations, \$1,791,600.00 for~~
 20 ~~operations increase, and \$613,600.00 for costs incurred under the~~
 21 ~~North American Indian tuition waiver.~~**\$125,662,000.00,**
 22 **\$121,231,800.00 for operations, \$3,672,800.00 for operations**
 23 **increase, and \$757,400.00 for costs incurred under the North**
 24 **American Indian tuition waiver.**

25 (3) The amount appropriated in subsection (2) for public
 26 universities is ~~\$1,740,316,000.00, \$1,793,846,100.00,~~ appropriated
 27 from the following:

28 (a) State school aid fund, ~~\$443,168,300.00.~~**\$558,668,300.00.**

29 (b) State general fund/general purpose money,

1 ~~\$1,297,147,700.00.~~ **\$1,235,177,800.00.**

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

4 (5) The amount appropriated for state and regional programs is
5 ~~\$316,800.00,~~ **\$322,100.00**, appropriated from general fund/general
6 purpose money and allocated as follows:

7 (a) Higher education database modernization and conversion,
8 \$200,000.00.

9 (b) Midwestern Higher Education Compact,
10 ~~\$116,800.00.~~ **\$122,100.00.**

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

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

15 (b) Michigan college/university partnership program,
16 \$586,800.00.

17 (c) Morris Hood, Jr. educator development program,
18 \$148,600.00.

19 (7) Subject to subsection (8), the amount appropriated for
20 grants and financial aid is ~~\$542,453,600.00,~~ **\$551,953,600.00,**
21 allocated as follows:

22 (a) State competitive scholarships,
23 ~~\$19,930,900.00.~~ **\$10,930,900.00.**

24 (b) Tuition grants, ~~\$41,522,700.00.~~ **\$16,522,700.00.**

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

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

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

29 (f) Michigan achievement scholarships, ~~\$330,000,000.00.~~

1 **\$345,000,000.00.** From this amount, up to \$10,000,000.00 may be used
 2 to award skills scholarships under section 248a.

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

4 (8) The money appropriated in subsection (7) for grants and
 5 financial aid is appropriated from the following:

6 (a) Federal revenues under the United States Department of
 7 Education, Office of Elementary and Secondary Education, GEAR-UP
 8 program, \$3,200,000.00.

9 (b) Postsecondary scholarship fund,
 10 ~~\$330,000,000.00.~~ **\$345,000,000.00.**

11 (c) State general fund/general purpose money,
 12 ~~\$209,253,600.00.~~ **\$203,753,600.00.**

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

17 (9) For fiscal year ~~2024-2025~~ **2025-2026** only, in addition to
 18 the allocation under subsection (4), from the appropriations
 19 described in subsection (1), there is allocated an amount not to
 20 exceed ~~\$8,500,000.00~~ **\$7,600,000.00** for payments to participating
 21 public universities, appropriated from the state school aid fund. A
 22 public university that receives money under this subsection shall
 23 use that money solely for the purpose of offsetting the normal cost
 24 contribution rate. As used in this subsection, "participating
 25 public universities" means public universities that are a reporting
 26 unit of the Michigan public school employees' retirement system
 27 under the public school employees retirement act of 1979, 1980 PA
 28 300, MCL 38.1301 to 38.1437, and that pay contributions to the
 29 Michigan public school employees' retirement system for the state

1 fiscal year.

2 (10) ~~For Subject to section 236m, for fiscal year 2024-2025~~
3 **2025-2026** only, from the appropriation described in subsection (1),
4 ~~\$1,000,000.00~~ **\$33,409,400.00** is appropriated from the state general
5 ~~fund/general purpose money for Michigan Transfer Pathways. The~~
6 ~~department of lifelong education, advancement, and potential shall~~
7 ~~use funds appropriated under this subsection to work with the~~
8 ~~Michigan Transfer Network, community colleges, public universities,~~
9 ~~and other institutions of higher education in this state to~~
10 ~~facilitate the transfer of students and acceptance of credits among~~
11 ~~these institutions. The department may hire limited time FTEs or~~
12 ~~external consultants with the funds. The funds allocated under this~~
13 ~~subsection for fiscal year 2024-2025 are a work project~~
14 ~~appropriation, and any unexpended funds remaining at the end of~~
15 ~~fiscal year 2024-2025 are carried forward into fiscal year 2025-~~
16 ~~2026, and any unexpended funds remaining at the end of fiscal year~~
17 ~~2025-2026 are carried forward into fiscal year 2026-2027. The~~
18 ~~purpose of the work project is to support transfer pathways at~~
19 ~~postsecondary institutions in this state. The estimated completion~~
20 ~~date of the work project is September 30, 2027.~~ **school aid fund for**
21 **infrastructure, technology, equipment, maintenance, and safety**
22 **grants.**

23 (11) For fiscal year ~~2024-2025~~ **2025-2026** only, from the
24 appropriation described in subsection (1), ~~\$980,000.00~~
25 **\$1,000,000.00** is appropriated from the state general fund/general
26 purpose money for the FAFSA completion incentive. The department of
27 lifelong education, advancement, and potential shall use funds
28 appropriated under this subsection to run a promotional activity to
29 promote completing the Free Application for Federal Student Aid

(FAFSA) for the first time consistent with the promotional-activity exception provided for in section 372(2) of the Michigan penal code, 1931 PA 328, MCL 750.372. The promotional activity must offer prize funds that are available to a number, chosen by the department, of randomly selected Michigan residents who satisfactorily demonstrate to the department that they have completed the FAFSA for the first time.

(12) ~~For~~ **Subject to section 241f, for** fiscal year ~~2024-2025~~ **2025-2026** only, from the appropriation described in subsection (1), ~~\$750,000.00~~ **\$15,000,000.00** is appropriated from state general fund/general purpose money ~~to Western Michigan University to support the Project Clean program.~~ **for the Michigan student loan refinance program.**

(13) ~~For~~ **Subject to section 236s, for** fiscal year ~~2024-2025~~ **2025-2026** only, from the appropriation described in subsection (1), ~~\$70,000.00~~ **\$2,500,000.00** is appropriated from state general fund/general purpose money ~~to a city with a population between 70,000 and 80,000 in a county with a population between 225,000 and 275,000 according to the most recent federal decennial census for investments to improve safety on the campus of a public university based in that city.~~ **for the Michigan reconnect grant program short-term training grants.**

(14) For fiscal year ~~2024-2025~~ **2025-2026** only, ~~subject to section 236r,~~ from the appropriation described in subsection (1), ~~\$200,000.00~~ **\$2,000,000.00** is appropriated from ~~the~~ state general fund/general purpose money ~~for an education performance study.~~ **school aid fund to Wayne State University to support costs related to the Michigan Area Health Education Center.**

~~(15) All of the following apply for fiscal year 2024-2025~~

1 ~~only.~~

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

10 ~~(b) The amount allocated in subdivision (a) must be allocated~~
11 ~~to each participating public university based on each participating~~
12 ~~public university's percentage of the total combined payrolls of~~
13 ~~the universities' employees who are members of the retirement~~
14 ~~system and who were hired before January 1, 1996 and the~~
15 ~~universities' employees who would have been members of the~~
16 ~~retirement system on or after January 1, 1996, but for the~~
17 ~~enactment of 1995 PA 272 for all public universities that are~~
18 ~~participating public universities for the immediately preceding~~
19 ~~state fiscal year.~~

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

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

27 ~~(e) As used in this subsection, "participating public~~
28 ~~universities" means public universities that are reporting units of~~
29 ~~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.~~

(15) For fiscal year 2025-2026 only, from the appropriation described in subsection (1), \$500,000.00 is appropriated from state general fund/general purpose money and \$500,000.00 is appropriated from the state school aid fund to Western Michigan University to support the electronic health records project undertaken by the college of health and human services.

(16) For fiscal year 2025-2026 only, from the appropriation described in subsection (1), \$1,000,000.00 is appropriated from state general fund/general purpose money to Grand Valley State University to support costs related to the competency-based education incubator.

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

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

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

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

(e) Lake Superior State University,
~~\$2,231,300.00.~~**\$2,229,000.00.**

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

(g) Michigan Technological University,
~~\$5,787,900.00.~~**\$5,521,000.00.**

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

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

(j) Saginaw Valley State University,
~~\$7,828,000.00.~~**\$7,820,000.00.**

(k) University of Michigan - Ann Arbor,
~~\$12,280,600.00.~~**\$14,068,000.00.**

(l) University of Michigan - Dearborn,
~~\$10,736,000.00.~~**\$10,725,000.00.**

(m) University of Michigan - Flint,
~~\$6,063,200.00.~~**\$6,057,000.00.**

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

(o) Western Michigan University,
~~\$11,262,700.00.~~**\$10,987,000.00.**

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

(2) The state treasurer may receive money or other assets from any source for deposit into the postsecondary scholarship fund. The state treasurer shall direct the investment of the postsecondary scholarship fund. The state treasurer shall credit to the

1 postsecondary scholarship fund interest and earnings from
2 postsecondary scholarship fund investments.

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

6 (4) The department of treasury ~~shall be~~ **is** the administrator
7 of the postsecondary scholarship fund for auditing purposes.

8 (5) Money must be expended from the postsecondary scholarship
9 fund only for the purpose of providing Michigan achievement
10 scholarship awards to eligible students who attend eligible
11 postsecondary educational institutions in this state and for other
12 purposes described in this section. ~~Not more than \$10,000,000.00~~
13 ~~may be used by the department of lifelong education, advancement,~~
14 ~~and potential annually for the purposes of outreach and marketing~~
15 ~~programs as specified in section 248.~~ **From the funds appropriated in**
16 **section 236(7) for the Michigan achievement scholarship, the**
17 **department of lifelong education, advancement, and potential may**
18 **use up to \$5,000,000.00 annually for the purposes of outreach**
19 **programs to raise awareness of the Michigan achievement scholarship**
20 **and other state scholarship programs allocated in section 236(7).**
21 **The department of lifelong education, advancement, and potential**
22 **shall ensure that state scholarships are well publicized and that**
23 **high school students are provided information on the availability**
24 **of financial aid. The department of lifelong education,**
25 **advancement, and potential may receive and expend funds received**
26 **from outside sources for scholarships, marketing, or other purposes**
27 **related to Michigan state scholarships. The department of lifelong**
28 **education, advancement, and potential shall provide the necessary**
29 **funding and staff to fully operate the programs.**

(6) For the fiscal year ending September 30, ~~2025,~~
~~\$300,000,000.00~~ **2026, \$345,000,000.00** of ongoing funding ~~and~~
~~\$30,000,000.00 of 1-time funding~~ is deposited into the
 postsecondary scholarship fund from the state general fund/general
 purpose money.

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

(8) In addition to the appropriations in section 236, if the
 amount of general fund **money** allocated in section ~~236(7)~~ **236(7) (a) ,**
(b) , (c) , (d) , or (f) is not sufficient to fully fund ~~the 1 or more~~
of those awards, ~~under section 236(7),~~ there is appropriated from
 the postsecondary scholarship fund the amount necessary to fully
 fund those awards. The state budget director shall provide written
 notification to the house and senate appropriations subcommittee on
 higher education and the house and senate fiscal agencies prior to
 any additional appropriation described in this subsection.

Sec. 236m. (1) Funds appropriated in section 236(10) for
infrastructure, technology, equipment, maintenance, and safety
grants are intended to be used for necessary improvements and
deferred maintenance of public university buildings, facilities,
and other physical infrastructure; necessary improvements and
deferred maintenance of information technology, other technology
infrastructure, and other equipment; and other purposes related to

1 infrastructure, technology, equipment, and maintenance. A public
2 university may also use these funds to upgrade safety and security
3 infrastructure. These funds are not intended to be used for any
4 other purpose than what is specified in this section.

5 (2) Subject to subsection (3), the payment for each public
6 university under subsection (1) must be calculated as follows:

7 (a) 50% of the appropriation in section 236(10) must be
8 allocated proportionally to each public university's respective
9 share of the total amount of operations payments described in
10 section 236(2).

11 (b) 50% of the appropriation in section 236(10) must be
12 allocated only to public universities that certify that the public
13 university did not receive a capital outlay planning or
14 construction authorization under subsection (3). Funds described in
15 this subdivision must be allocated as follows:

16 (i) 50% must be allocated equally to each public university
17 receiving an allocation under this subdivision.

18 (ii) 50% must be allocated proportionally to each public
19 university's respective share of the total amount of operations
20 payments described in section 236(2), for all public universities
21 that receive an allocation under this subdivision.

22 (3) To receive an allocation under subsection (2)(b), a public
23 university must certify by November 15, 2025 that it did not
24 receive an appropriation for a planning or construction
25 authorization for a capital outlay project between January 1, 2023
26 and October 1, 2025. For the purpose of providing certification
27 under this subsection, a capital outlay appropriation or
28 authorization that adjusts only the authorized cost or scope of a
29 previously-authorized capital outlay project does not count as a

1 planning or construction authorization.

2 (4) Payments to public universities under this section must be
3 distributed in 1 lump sum to each institution with the December 16,
4 2025 payment described in section 241.

5 Sec. 236s. (1) The funds appropriated in section 236(13) for
6 the Michigan reconnect grant program short-term training grants
7 must be used to expand the Michigan reconnect grant program short-
8 term training grants to include eligible students who are at least
9 21 years old. The funds appropriated in section 236(13) must be
10 expended to award grants, administer the program, and support the
11 duties outlined in section 21 of the Michigan reconnect grant
12 recipient act, 2020 PA 68, MCL 390.1721.

13 (2) Any unexpended and unencumbered funds remaining on
14 September 30, 2026 from the amounts appropriated in section 236(13)
15 for the Michigan reconnect grant program short-term training grants
16 for fiscal year 2025-2026 do not lapse on September 30, 2026 but
17 continue to be available for the purposes described in subsection
18 (1) in the 2026-2027 and 2027-2028 fiscal years under a work
19 project account. The use of these unexpended fiscal year 2025-2026
20 funds under this subsection terminates at the end of the 2027-2028
21 fiscal year.

22 Sec. 239. A public university shall not use funds appropriated
23 in section 236 for the purchase of foreign goods, ~~or~~ services, or
24 both ~~, if~~ competitively priced and of comparable quality American
25 goods, ~~and~~ services, or both ~~, are~~ available. Preference ~~shall~~ **must**
26 be given to goods, ~~or~~ services, or both ~~, manufactured or provided~~
27 ~~by Michigan businesses if they are competitively priced and of~~
28 ~~comparable value. In addition, preference shall be given to goods~~
29 ~~or services, or both, that are manufactured or provided by Michigan~~

~~businesses owned and operated by veterans if they are competitively priced and of comparable quality.~~ **for which either or both of the following apply:**

(a) The goods, services, or both are manufactured or provided by Michigan businesses owned and operated by veterans and are competitively priced and of comparable quality.

(b) The goods, services, or both are manufactured or provided in a facility that employs union members.

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

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

(2) It is intended that accountability reporting for public universities will be streamlined through HEIDI. The state budget director and the center will work to combine the reporting

1 requirements outlined in this subsection with the existing HEIDI
2 collection cycle. All of the following must be reported to the
3 house and senate fiscal agencies and the state budget director:

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

6 (b) The reporting requirements described in sections 241b and
7 241c.

8 (3) If a public university fails to submit HEIDI data and
9 associated financial aid program information in accordance with the
10 required reporting schedule, the state treasurer may withhold the
11 monthly **operations** installments under section ~~241~~**236** to the public
12 university until those data are submitted. If a public university
13 does not comply with all of the requirements described in
14 subsections (4) and (5) by the end of the fiscal year, the public
15 university forfeits the amount withheld. The state budget director
16 shall notify the chairs of the house and senate appropriations
17 subcommittees on higher education at least 10 days before
18 withholding funds from any public university.

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

23 (a) The annual operating budget and subsequent budget
24 revisions.

25 (b) A summary of current expenditures for the most recent
26 fiscal year for which they are available, expressed as pie charts
27 in the following 2 categories:

28 (i) A chart of personnel expenditures, broken into the
29 following subcategories:

1 (A) Earnings and wages.

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

5 (C) Retirement benefit costs.

6 (D) All other personnel costs.

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

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

12 (i) The current collective bargaining agreement for each
13 bargaining unit.

14 (ii) Each health care benefits plan, including, but not limited
15 to, medical, dental, vision, disability, long-term care, or any
16 other type of benefits that would constitute health care services,
17 offered to any bargaining unit or employee of the public
18 university.

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

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

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

26 (f) The institution's policy regarding the transferability of
27 core college courses between community colleges and the public
28 university.

29 (g) A listing of all community colleges that have entered into

1 reverse transfer agreements with the public university.

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

7 (i) Enrollment.

8 (ii) Student retention rate.

9 (iii) Six-year graduation rates.

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

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

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

16 (vii) Teaching load by faculty classification.

17 (viii) Graduation outcome rates, including employment and
18 continuing education.

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

28 (j) A collection and report of the number and percentage of
29 all enrolled students who complete the Free Application for Federal

1 Student Aid, broken out by undergraduate and graduate/professional
2 classifications, reported to the center and posted on its website
3 under the budget transparency icon badge.

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

9 (a) Emergency contact numbers for police, fire, health, and
10 other services.

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

13 (c) A list of safety and security services provided by the
14 public university, including transportation, escort services,
15 building surveillance, anonymous tip lines, and other available
16 security services.

17 (d) The public university's policies applicable to minors on
18 university property.

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

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

24 (g) Campus security policies and crime statistics pursuant to
25 the student right-to-know and campus security act, Public Law 101-
26 542, 104 Stat 2381. Information must include all material prepared
27 pursuant to the public information reporting requirements under the
28 crime awareness and campus security act of 1990, title II of the
29 student right-to-know and campus security act, Public Law 101-542,

1 104 Stat 2381.

2 Sec. 241c. (1) No later than the last business day of August
3 each year, each public university that receives an appropriation in
4 section 236 shall submit the amount of tuition and fees actually
5 charged to a full-time resident undergraduate student for academic
6 year ~~2024-2025~~**2025-2026** as part of the public university's higher
7 education institutional data inventory (HEIDI) data. A public
8 university shall report any revisions for any semester of the
9 reported academic year to HEIDI within 15 days of being adopted. **As**
10 **used in this section:**

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

22 (b) "Tuition and fee rate" means the average of full-time
23 rates paid by a majority of students in each undergraduate class,
24 based on an unweighted average of the rates authorized by the
25 public university board and actually charged to students, deducting
26 any uniformly rebated or refunded amounts, for the 2 semesters with
27 the highest levels of full-time equated resident undergraduate
28 enrollment during the academic year, as described in the higher
29 education institutional data inventory (HEIDI) user manual.

(c) "Room and board charges" means 1 or more accommodation and meal plans used by a public university to calculate the average charge reported under section 275m(1)(c) .

(2) Payments under section 236 for operations increase and under section ~~236d~~-236m must be made only to a public university that ~~certifies~~ **provides the following certifications** to the state budget director by the last business day of August each year: ~~that its board did not adopt an increase in tuition and fee rates for resident undergraduate students after September 1, 2023 for the 2023-2024 academic year and that its board will not adopt an increase in tuition and fee rates for resident undergraduate students for the 2024-2025 academic year that is greater than 4.5% or \$703.00, whichever is greater. For the academic year 2025-2026, the tuition and fee restraint rate for resident undergraduate students is an increase of not greater than 4.5% or \$735.00, whichever is greater. It is the intent of the legislature that in the next fiscal year, the tuition and fee restraint rate will be adjusted only for the subsequent academic year. As used in this subsection:~~

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

1 ~~subsection.~~

2 ~~(b) "Tuition and fee rate" means the average of full-time~~
 3 ~~rates paid by a majority of students in each undergraduate class,~~
 4 ~~based on an unweighted average of the rates authorized by the~~
 5 ~~public university board and actually charged to students, deducting~~
 6 ~~any uniformly rebated or refunded amounts, for the 2 semesters with~~
 7 ~~the highest levels of full-time equated resident undergraduate~~
 8 ~~enrollment during the academic year, as described in the higher~~
 9 ~~education institutional data inventory (HEIDI) user manual.~~

10 **(a) That the university's board did not adopt an increase in**
 11 **tuition and fee rates for resident undergraduate students after**
 12 **September 1, 2024 for the 2024-2025 academic year and that its**
 13 **board will not adopt an increase in tuition and fee rates for**
 14 **resident undergraduate students for the 2025-2026 academic year**
 15 **that is greater than 4.5% or \$735.00, whichever is greater. For the**
 16 **academic year 2026-2027, the tuition and fee restraint rate for**
 17 **resident undergraduate students is an increase of not greater than**
 18 **3.5% or \$570.00, whichever is greater.**

19 **(b) For academic year 2026-2027, either of the following:**

20 **(i) That the university does not have a mandatory on-campus**
 21 **housing policy reportable under section 275m.**

22 **(ii) That the university does have a mandatory on-campus**
 23 **housing policy reportable under section 275m, and that it will not**
 24 **adopt an increase in room and board charges that would cause the**
 25 **average charge for academic year 2026-2027 relative to academic**
 26 **year 2026-2027 reported under section 275m to increase by an amount**
 27 **exceeding 3.5% or \$438.00, whichever is greater.**

28 **(3) Each public university ~~must~~ shall certify to the state**
 29 **budget director by the last business day of August each year that**

1 it complies with all of the following requirements:

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

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

9 (i) Whether the credits were earned in a dual enrollment
10 program that counted the credits toward high school graduation
11 requirements.

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

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

17 (iv) Whether other students enrolled in the course in which the
18 credits were earned were enrolled in high school or counted the
19 course toward high school graduation requirements.

20 (c) The public university actively participates in and submits
21 timely updates to the Michigan Transfer Network created as part of
22 the Michigan Association of Collegiate Registrars and Admissions
23 Officers transfer agreement.

24 (4) The state budget director shall implement uniform
25 reporting requirements to ensure that a public university receiving
26 a payment under section 236 for operations increase and under
27 section ~~236d~~**236m** has satisfied the tuition restraint requirements
28 of this section. The state budget director has the sole authority
29 to determine if a public university has met the requirements of

1 this section. Information reported by a public university to the
 2 state budget director under this subsection must also be reported
 3 to the house and senate appropriations subcommittees on higher
 4 education and the house and senate fiscal agencies.

5 Sec. 241e. (1) Payments under section 236 for operations
 6 increase and under section ~~236d~~ **236m** must be made only to a public
 7 university that certifies to the ~~state budget director~~ **or designee**
 8 **of the director of the department of lifelong education,**
 9 **advancement, and potential** by the last business day of August each
 10 year that it complies with the following:

11 ~~(a) The institutional best practice described in subdivision~~
 12 ~~(c).~~

13 ~~(b) One or more of the institutional best practices described~~
 14 ~~in subdivisions (d) to (g).~~

15 **(a)** ~~(c)~~ The public university accepts the Michigan Transfer
 16 Agreement, partners with the Michigan Transfer Network, and
 17 promotes clear transfer pathways for interested students by doing
 18 all of the following:

19 (i) Has a policy to help transfer or accept associate degrees
 20 from other accredited Michigan postsecondary education
 21 institutions.

22 (ii) Publishes the policy described in subparagraph (i) on the
 23 institution's website in an easily accessible way and in admissions
 24 materials.

25 (iii) Provides publicly available information on the Michigan
 26 Transfer Network, applicable transfer pathways, and financial aid
 27 available to transfer students, at no cost to the student.

28 (iv) Begins negotiations to increase the number of reverse
 29 transfer agreements or articulation agreements and reports on the

1 progress toward completing the agreements to the state budget
2 director by the last business day in February.

3 **(b)** ~~(d)~~—The public university requires all students to receive
4 an academic degree or certificate map that outlines required course
5 sequencing, program and institution requirements, declared minor
6 program academic requirements, and a recommended timeline within
7 which courses should be taken and in which specific semester or
8 term in order to satisfy all program requirements to allow the
9 student to graduate on time.

10 **(c)** ~~(e)~~—The public university provides non-credit-bearing
11 developmental or remedial courses at a reduced cost to students.

12 **(d)** ~~(f)~~—The public university provides each degree- or
13 certificate-seeking student with a designated, trained academic
14 advisor to support student retention, persistence, and completion.
15 The public university shall require students to meet with their
16 academic advisor at least once per semester or term.

17 **(e)** ~~(g)~~—The public university provides employees during
18 business hours to assist prospective and current students complete
19 the Free Application for Federal Student Aid.

20 **(f) The public university has adopted a co-requisite model of**
21 **academic support for gateway English and mathematics courses in**
22 **which a student concurrently enrolls in a developmental education**
23 **course and a gateway-level course in a subject area where the**
24 **student requires remediation. The public university must ensure**
25 **that not more than 10% of students assessed as being in need of**
26 **developmental or remedial learning participate in a non-co-**
27 **requisite developmental or remedial course.**

28 **(g) The public university has a policy and process for**
29 **assessing prior learning and knowledge that aligns with a student's**

1 academic program and other required coursework. The policy must
2 include the opportunity for a student to earn credit toward a
3 degree or certificate, must be available to all students at no cost
4 to the student, and must be easily accessible on the public
5 university's website and in admissions materials.

6 (2) The ~~state budget~~ director or designee of the director of
7 the department of lifelong education, advancement, and potential
8 shall implement uniform reporting requirements to ensure that a
9 public university receiving a payment under section 236 for
10 operations increase and under section ~~236d~~ 236m has satisfied the
11 institutional best practices requirements of this section. The
12 ~~state budget~~ director or designee of the director of the department
13 of lifelong education, advancement, and potential has the sole
14 authority to determine if a public university has met the
15 requirements of this section. Information reported by a public
16 university to the ~~state budget~~ director or designee of the director
17 of the department of lifelong education, advancement, and potential
18 under this subsection must also be reported to the house and senate
19 appropriations subcommittees on higher education and the house and
20 senate fiscal agencies.

21 (3) If a public university fails to comply with the
22 certification requirements of this section, the state treasurer may
23 withhold the monthly installments under section 241 to the public
24 university until the report is submitted. If a public university
25 does not comply with the certification requirements described in
26 this section by the end of the fiscal year, the public university
27 forfeits the amount withheld. Forfeited funds must lapse to the
28 fund from which the funds were appropriated. The ~~state budget~~
29 director or designee of the director of the department of lifelong

1 **education, advancement, and potential** shall notify the chairs of
2 the house and senate appropriations subcommittees on higher
3 education at least 10 days before withholding funds from any public
4 university.

5 **Sec. 241f. (1) The funds appropriated in section 236 for the**
6 **Michigan student loan refinance program must be distributed as**
7 **provided in this section and section 241g.**

8 **(2) As used in this section:**

9 **(a) "Department" means the department of lifelong education,**
10 **advancement, and potential.**

11 **(b) "Discharge" means to pay off a federal or nonfederal**
12 **student loan and originate a new loan under the Michigan student**
13 **loan refinance program created in subsection (3).**

14 **(c) "Institution of higher education" means any of the**
15 **following:**

16 **(i) A state university described in section 4, 5, or 6 of**
17 **article VIII of the state constitution of 1963.**

18 **(ii) A community college established under the community**
19 **college act of 1966, 1966 PA 331, MCL 389.1 to 389.195, or under**
20 **part 25 of the revised school code, 1976 PA 451, MCL 380.1601 to**
21 **380.1607.**

22 **(iii) An independent nonprofit college or university in this**
23 **state as described in section 1 of 1966 PA 313, MCL 390.991.**

24 **(d) "Michigan refinanced student loan" means a loan issued**
25 **under subsection (3) to discharge or reduce the sum of the unpaid**
26 **principal, accrued unpaid interest, and unpaid late charges of a**
27 **qualified student loan.**

28 **(e) "Michigan student loan refinance program" means the loan**
29 **refinance program created under subsection (3).**

1 (f) "Qualified borrower" means an individual who meets all of
2 the following:

3 (i) Has a qualified student loan.

4 (ii) Incurred the qualified student loan to help pay school
5 expenses for attendance at an institution of higher education.

6 (iii) Has resided in this state for the 12 months prior to the
7 date of the individual's application for refinancing of the
8 qualified student loan under subsection (3).

9 (iv) Has been current on payments on the qualified student loan
10 for the 3 years prior to the date of the individual's application
11 for refinancing the qualified student loan under subsection (3),
12 and is in good standing on the qualified student loan as of that
13 date.

14 (g) "Qualified student loan" means a loan issued to a student
15 under a federal student loan program supported by the federal
16 government or a nonfederal loan issued by a lender such as a bank,
17 savings and loan association, or credit union to help the student
18 pay school expenses for attendance at an institution of higher
19 education.

20 (h) "Reduce" means to pay down the balance of a federal or
21 nonfederal student loan until the terms described in subsection
22 (3)(a) are met.

23 (3) The Michigan student loan refinance program is created in
24 the department and is to be administered by the department. On
25 application of a qualified borrower who has a qualified student
26 loan, the department, subject to subsection (4), may issue the
27 borrower a loan under this section in accordance with all of the
28 following:

29 (a) The amount of the loan issued under this section must be

1 at least \$5,000.00 and not exceed the lesser of the following:

2 (i) The sum of the unpaid principal, accrued unpaid interest,
3 and unpaid late charges of the qualified student loan.

4 (ii) \$50,000.00.

5 (b) The department shall pay the proceeds of the loan issued
6 under this section to the lender of the qualified student loan, in
7 order to discharge or reduce the outstanding balance of the
8 qualified student loan described in subdivision (a) (i).

9 (c) The interest rate for the Michigan refinanced student loan
10 is a fixed rate applicable to all Michigan refinanced student loans
11 issued under this section during the current fiscal year, which the
12 department shall establish as minimally necessary to recoup the
13 costs of the Michigan student loan refinance program, including any
14 start-up costs incurred to implement or grow the program and to
15 ensure the growth and ongoing sustainability of the program.

16 (4) The total of all loans issued to a qualified borrower as
17 Michigan refinanced student loans under subsection (3) must be at
18 least \$5,000.00 and not exceed \$50,000.00.

19 (5) Student loans originated under this section are not
20 eligible to be discharged in bankruptcy.

21 (6) This section does not guarantee an individual a right to
22 the benefits provided under this section.

23 (7) The department shall promulgate rules to implement this
24 section under the administrative procedures act of 1969, 1969 PA
25 306, MCL 24.201 to 24.328.

26 (8) By December 1 of each year, the department shall submit a
27 report to the state budget director, the house and senate
28 appropriations subcommittees on community colleges and higher
29 education, and the house and senate fiscal agencies for the

1 preceding fiscal year that includes all of the following
2 information:

3 (a) The total number of Michigan refinanced student loans
4 issued and the total amount loaned.

5 (b) The interest rate applied to those loans.

6 (c) The range of interest rates that were applicable to the
7 refinanced qualified student loans.

8 (d) Default rates on Michigan refinanced student loans.

9 (e) The financial status of the Michigan student loan
10 refinance program.

11 Sec. 241g. (1) The Michigan student loan refinance fund is
12 created in the state treasury.

13 (2) The state treasurer may receive money or other assets from
14 any source for deposit into the fund including repayments of loans
15 made from the fund. The state treasurer shall direct the investment
16 of the fund. The state treasurer shall credit to the fund interest
17 and earnings from fund investments.

18 (3) Money in the fund at the close of the fiscal year remains
19 in the fund and does not lapse to the general fund.

20 (4) The department of lifelong education, advancement, and
21 potential is the administrator of the fund for auditing purposes.

22 (5) All funds in the Michigan student loan refinance fund are
23 appropriated and available for expenditure to support the Michigan
24 student loan refinance program created in section 241f.

25 (6) For the fiscal year ending September 30, 2026 only,
26 \$15,000,000.00 in state general fund/general purpose money
27 appropriated in section 236 must be deposited into the fund to pay
28 start-up costs incurred by the Michigan student loan refinance
29 program.

(7) Any unexpended and unencumbered funds remaining on September 30, 2026 from the amounts appropriated in section 236 for the Michigan student loan refinance program for fiscal year 2025-2026 do not lapse on September 30, 2026, but continue to be available for expenditure for the Michigan student loan refinance program in the 2026-2027 fiscal year under a work project account.

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

Sec. 247. ~~(1)~~ The funds appropriated in section 236 for Michigan reconnect must be distributed and administered by the department of lifelong education, advancement, and potential pursuant to the Michigan reconnect grant act, 2020 PA 84, MCL 390.1701 to 390.1709, the Michigan reconnect grant recipient act, 2020 PA 68, MCL 390.1711 to 390.1723, and the department's 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 313, MCL 390.991.

(d) "Gift aid" includes federal Pell grants under 20 USC 1070a, tuition incentive program benefits under section 256, state tuition grants under section 252, awards received for minimum payments awarded in subsection (4), higher education expenses paid under the Michigan promise zone authority act, 2008 PA 549, MCL

1 390.1661 to 390.1679, and all other federal, state, local, or
2 institutional aid in the form of grants, scholarships, or discounts
3 applied toward tuition and mandatory fees. Gift aid does not
4 include student loans, work-study awards, qualified withdrawals
5 made from education savings accounts to pay higher education
6 expenses pursuant to the Michigan education savings program act,
7 2000 PA 161, MCL 390.1471 to 390.1486, or higher education expenses
8 paid under the Michigan education trust program pursuant to the
9 Michigan education trust act, 1986 PA 316, MCL 390.1421 to
10 390.1442.

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

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

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

18 (ii) For a student attending a public university or an
19 independent nonprofit college or university, or for a student
20 enrolled in a baccalaureate degree program described in section 121
21 of the community college act of 1966, 1966 PA 331, MCL 389.121, an
22 amount equal to the student's individual cost of attendance, minus
23 all gift aid received by the student.

24 (g) "Minimum payment" means a payment for any eligible cost
25 within the student's individual cost of attendance. The minimum
26 payment must be awarded as a separate payment not included in the
27 student's need-based financial aid. The minimum payment must not be
28 reduced.

29 (h) "SAI eligible student" means a student who has completed

1 the Free Application for Federal Student Aid and meets at least 1
2 of the following:

3 (i) For awards made during academic year 2023-2024, has an
4 expected family contribution of \$25,000.00 or less. An individual
5 is considered to have met the requirements of subsection (4) if the
6 individual received the Michigan achievement scholarship in
7 academic year 2023-2024, was determined to have an expected family
8 contribution of \$25,000.00 or less in academic year 2023-2024, and
9 has completed the Free Application for Federal Student Aid for the
10 subsequent award cycles.

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

15 (A) For a student indicating on the student's Free Application
16 for Federal Student Aid that the student is the only member of the
17 student's household or the student's parents' household attending a
18 postsecondary institution during that academic year, \$30,000.00 or
19 less.

20 (B) For a student indicating on the student's Free Application
21 for Federal Student Aid that the student is not the only member of
22 the student's household or the student's parents' household
23 attending a postsecondary institution during that academic year,
24 the greater of the number described in sub-subparagraph (A) or
25 guidance determined by the department. For the purposes of this
26 sub-subparagraph, the department, in collaboration with the state
27 budget office and the house and senate fiscal agencies, may
28 calculate a student aid index number or may issue administrative
29 guidance for the student aid index eligibility of students with

1 more than 1 member of the student's household or the student's
2 parents' household attending a postsecondary institution during
3 that academic year. It is intended that the utilization of a
4 student aid index instead of expected family contribution does not
5 adversely impact the eligibility of students with multiple members
6 of the student's household or student's parents' household
7 attending postsecondary institutions. It is further intended that
8 the legislature and executive branch work collaboratively to use
9 Michigan achievement scholarship uptake and other relevant data to
10 establish a more permanent measure of financial need for the
11 Michigan achievement scholarship for subsequent academic years.

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

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

17 (b) Have graduated from high school in this state with a
18 diploma or certificate of completion or achieved a high school
19 equivalency certificate in 2023 or after.

20 (c) Be a full-time undergraduate student at an eligible
21 institution, as defined by that eligible institution, and be a
22 first-time enrollee in an eligible institution during the 2023-2024
23 academic year, or a subsequent academic year, within ~~15~~**24** months
24 after high school graduation or attainment of a high school
25 equivalency certificate or have received a Michigan achievement
26 scholarship in a previous academic year. For the purposes of this
27 subdivision, participation in a dual enrollment, early college, or
28 other similar program while attending high school does not
29 disqualify a student from being considered a first-time enrollee.

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

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

4 (f) Apply for all available gift aid for each academic year in
5 which the individual applies for a Michigan achievement
6 scholarship.

7 (g) For a student who is enrolled at an eligible institution
8 that is a public university or an independent nonprofit college or
9 university, or who is enrolled in a baccalaureate degree program
10 described in section 121 of the community college act of 1966, 1966
11 PA 331, MCL 389.121, at an eligible institution, be an SAI eligible
12 student.

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

15 (a) The amount awarded to an eligible student who is enrolled
16 at an eligible institution that is a community college or federally
17 recognized tribal college where the student is eligible for that
18 institution's in-district tuition rate must be equal to the sum of
19 the last-dollar payment amount. The amount awarded to an eligible
20 student who is eligible for a federal Pell grant under 20 USC 1070a
21 must include an additional amount of \$1,000.00.

22 (b) The amount awarded to an eligible student who is enrolled
23 at an eligible institution that is a community college or federally
24 recognized tribal college where the student is not eligible for
25 that institution's in-district tuition rate must be the lesser of
26 the last-dollar payment amount, or the in-district tuition rate.
27 The amount awarded to an eligible student who is eligible for a
28 federal Pell grant under 20 USC 1070a must include an additional
29 amount of \$1,000.00.

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

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

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

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

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

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

15 (e) Money awarded under this subsection for a Michigan
16 achievement scholarship must be paid to the eligible institution
17 for credit to the student's account.

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

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

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

~~(7)~~ (8) The department shall convene a workgroup to consider and advise the department on implementing policies for administering the Michigan achievement scholarship. The workgroup shall include 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

1 and senate appropriations subcommittees on higher education, the
2 house and senate fiscal agencies, and the state budget director
3 that includes the following information for the previous academic
4 year:

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

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

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

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

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

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

20 (vii) The average Michigan achievement scholarship award per
21 student, delineated by sector, including community colleges, tribal
22 colleges, public universities, independent colleges and
23 universities, and training institutions. As used in this
24 subparagraph, "training institutions" means training institutions
25 accepted to participate in the Michigan achievement scholarship
26 program under section 248a.

27 (b) Each eligible institution whose students receive awards
28 under this section shall cooperate with the department in a timely
29 manner to facilitate the creation of the report under subdivision

1 (a) .

2 **(9)** ~~(10)~~ By April 1 of each year, each eligible institution
 3 shall submit a report to the department, the state budget office,
 4 and the house and senate fiscal agencies providing information as
 5 to the average amount of institutional grant aid awarded to full-
 6 time first-time undergraduate students for the immediately
 7 preceding 2 institution fiscal years. If the average amount of
 8 institutional grant aid awarded to full-time first-time
 9 undergraduate students in fiscal year ~~2023-2024~~ **2024-2025** is less
 10 than the average amount of institutional grant aid awarded to full-
 11 time first-time undergraduate students in fiscal year ~~2022-2023,~~
 12 **2023-2024**, the institution ~~must~~ **shall** include in the report a
 13 description of any changes to the institutional financial aid
 14 during the 2 immediately preceding fiscal years. An institution's
 15 report of the average amount of institutional grant aid awarded to
 16 full-time first-time undergraduate students pursuant to this
 17 subsection must be consistent with data most recently reported to
 18 the Integrated Postsecondary Education Data System.

19 **(10)** ~~(11)~~ For each fiscal year, an eligible institution ~~must~~
 20 **shall** maintain and report its compliance with the following tuition
 21 restraint requirements, as applicable:

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

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

27 **(11)** ~~(12)~~ The state budget director shall implement reporting
 28 requirements to ensure that an eligible institution has satisfied
 29 the tuition restraint requirements of this section. The state

1 budget director has the sole authority to determine if an eligible
2 institution has met the requirements of this section.

3 **(12)** ~~(13)~~—If an eligible institution exceeds the applicable
4 tuition restraint level for 2 consecutive years, the state budget
5 director may consider the institution ineligible for funding under
6 this section in the subsequent academic year.

7 **(13)** ~~(14)~~—If an institution is considered ineligible for
8 funding under this section, the state budget director ~~must~~**shall**
9 reevaluate the status of the ineligible institution after 1
10 academic year.

11 **(14)** ~~(15)~~—It is the intent of the legislature that an eligible
12 institution will not make reductive changes to scholarship or
13 financial aid programs offered by that eligible institution that
14 have the goal or net effect of shifting the cost burden of those
15 programs to the program described in this section.

16 Sec. 254. ~~The~~**Subject to sections 217f and 275l**, sums
17 appropriated in section 236 for the state competitive scholarship,
18 tuition incentive, tuition grant, Michigan reconnect, and Michigan
19 achievement scholarship programs must be paid out of the state
20 treasury and must be distributed to the respective institutions
21 under a quarterly payment system as follows:

22 (a) For the state competitive scholarship and tuition grant
23 programs, 50% must be paid at the beginning of the state's first
24 fiscal quarter, 30% during the state's second fiscal quarter, 10%
25 during the state's third fiscal quarter, and 10% during the state's
26 fourth fiscal quarter.

27 (b) For the tuition incentive program, Michigan reconnect, and
28 Michigan achievement scholarship, 65% must be paid at the beginning
29 of the state's first fiscal quarter, and 35% during the state's

1 second fiscal quarter.

2 Sec. 263. (1) Included in the appropriation in section 236 for
3 fiscal year ~~2024-2025-2025-2026~~ for MSU AgBioResearch is
4 \$2,982,900.00 and included in the appropriation in section 236 for
5 MSU Extension is \$2,645,200.00 for Project GREEN. Project GREEN
6 is intended to address critical regulatory, food safety, economic,
7 and environmental problems faced by this state's plant-based
8 agriculture, forestry, and processing industries. "GREEN" is an
9 acronym for Generating Research and Extension to Meet Environmental
10 and Economic Needs.

11 (2) The department of agriculture and rural development and
12 Michigan State University, in consultation with agricultural
13 commodity groups and other interested parties, shall develop
14 Project GREEN and its program priorities.

15 Sec. 263b. Included in the appropriation in section 236 for
16 fiscal year ~~2024-2025-2025-2026~~ for MSU AgBioResearch and MSU
17 Extension is funding for the Agricultural Climate Resiliency
18 Program. The Agricultural Climate Resiliency Program is intended to
19 address environmental sustainability of Michigan agriculture and
20 promote the protection and efficient use of Michigan's water
21 resources.

22 Sec. 264. Included in the appropriation in section 236 for
23 fiscal year ~~2024-2025-2025-2026~~ for Michigan State University is
24 \$80,000.00 for the Michigan Future Farmers of America Association.
25 This \$80,000.00 allocation must not supplant any existing support
26 that Michigan State University provides to the Michigan Future
27 Farmers of America Association.

28 Sec. 268. (1) For the fiscal year ending September 30, ~~2025,~~
29 **2026**, it is the intent of the legislature that funds be allocated

1 for unfunded North American Indian tuition waiver costs incurred by
2 public universities under 1976 PA 174, MCL 390.1251 to 390.1253,
3 from the general fund.

4 (2) By January 15 of each year, the department of lifelong
5 education, advancement, and potential shall annually submit to the
6 state budget director, the house and senate appropriations
7 subcommittees on higher education, and the house and senate fiscal
8 agencies a report on North American Indian tuition waivers for the
9 preceding academic year that includes, but is not limited to, all
10 of the following information:

11 (a) The number of waiver applications received and the number
12 of waiver applications approved.

13 (b) For each public university submitting information under
14 subsection (3), all of the following:

15 (i) The number of graduate and undergraduate North American
16 Indian students enrolled each term for the previous academic year.

17 (ii) The number of North American Indian waivers granted each
18 term, including to continuing education students, and the monetary
19 value of the waivers for the previous academic year.

20 (iii) The number of North American Indian students who receive a
21 granted waiver for the previous academic year.

22 (iv) The number of graduate and undergraduate students
23 attending under a North American Indian tuition waiver who withdrew
24 from the public university each term during the previous academic
25 year. For purposes of this subparagraph, a withdrawal occurs when a
26 student who has been awarded the waiver withdraws from the
27 institution at any point during the term, regardless of enrollment
28 in subsequent terms.

29 (v) The number of graduate and undergraduate students

1 attending under a North American Indian tuition waiver who
 2 successfully transfer to a 4-year public or private university, or
 3 complete a degree or certificate program, separated by degree or
 4 certificate level, and the graduation rate for graduate and
 5 undergraduate students attending under a North American Indian
 6 tuition waiver who complete a degree or certificate within 150% of
 7 the normal time to complete, separated by the level of the degree
 8 or certificate.

9 (3) By January 1 of each year, a public university that
 10 receives an appropriation in section 236, or a tribal college
 11 receiving pass-through funds under section 269, **270**, or 270c, shall
 12 provide to the department of lifelong education, advancement, and
 13 potential any information necessary for preparing the report
 14 detailed in subsection (2), using guidelines and procedures
 15 developed by the department of lifelong education, advancement, and
 16 potential.

17 (4) The department of lifelong education, advancement, and
 18 potential may consolidate the report required under this section
 19 with the report required under section 223, but a consolidated
 20 report must separately identify data for public universities and
 21 data for community colleges.

22 Sec. 269. For fiscal year ~~2024-2025~~, **2025-2026**, from the
 23 amount appropriated in section 236 to Central Michigan University
 24 for costs incurred under the North American Indian tuition waiver,
 25 ~~\$76,300.00~~ **\$80,800.00** must be paid to Saginaw Chippewa Tribal
 26 College for the costs of waiving tuition for North American Indians
 27 under 1976 PA 174, MCL 390.1251 to 390.1253. It is the intent of
 28 the legislature that Saginaw Chippewa Tribal College provide the
 29 department of lifelong education, advancement, and potential the

1 necessary information for the college to be included in the report
2 required under section 268.

3 Sec. 270. For fiscal year ~~2024-2025,~~ **2025-2026**, from the
4 amount appropriated in section 236 to Lake Superior State
5 University for costs incurred under the North American Indian
6 tuition waiver, \$498,800.00 must be paid to Bay Mills Community
7 College for the costs of waiving tuition for North American Indians
8 under 1976 PA 174, MCL 390.1251 to 390.1253. It is the intent of
9 the legislature that Bay Mills Community College provide the
10 department of lifelong education, advancement, and potential the
11 necessary information for the college to be included in the report
12 required under section 268.

13 Sec. 270c. For fiscal year ~~2024-2025,~~ **2025-2026**, from the
14 amount appropriated in section 236 to Northern Michigan University
15 for costs incurred under the North American Indian tuition waiver,
16 ~~\$155,200.00~~ **\$105,700.00** is to be paid to Keweenaw Bay Ojibwa
17 Community College for the costs of waiving tuition for North
18 American Indians under 1976 PA 174, MCL 390.1251 to 390.1253. It is
19 the intent of the legislature that Keweenaw Bay Ojibwa Community
20 College provide the department of lifelong education, advancement,
21 and potential the necessary information for the community college
22 to be included in the report required under section 268.

23 Sec. 275k. (1) Not later than December 1 of each year, each
24 university that receives an appropriation in section 236 that, in
25 the current or previous academic year, serves or has served as an
26 authorizing body shall submit a report to the house and senate
27 appropriations subcommittees on higher education, the house and
28 senate fiscal agencies, the state budget director, and the
29 department of education containing, at a minimum, all of the

1 following information, as applicable:

2 (a) A list of all of the schools currently authorized, and the
3 following information for each school:

4 (i) The year in which the school was authorized.

5 (ii) The location of each school.

6 (iii) The owner of the property at which each school is located
7 and the physical buildings utilized by the school, as applicable.

8 (b) A list identifying any schools that were closed or lost
9 their authorization in the current or previous academic year.

10 (c) A description of any new contracts for the operation of a
11 public school academy that will operate as the successor to a
12 public school academy that is currently being operated under a
13 contract issued by another authorizing body that is currently
14 performing in the bottom 5% of schools.

15 (d) The academic performance of each school currently
16 authorized, including whether a school is identified by the
17 department of education as a partnership school. If a school is
18 identified as a partnership school under this subdivision, the
19 authorizing body ~~must~~**shall** include a description of corrective
20 actions in the school's partnership agreement, the duration of the
21 partnership agreement, and an assessment of progress toward
22 improvement.

23 (e) The total enrollment of each school at the time of
24 submission, the grades served, and student turnover rate compared
25 to the previous academic year, as applicable.

26 (f) Aggregated student enrollment data for students with an
27 individualized education program as well as the total amount of
28 special education cost reimbursements received by each school
29 during the school's most recently completed fiscal year.

1 (g) The total number of fees, reimbursements, contributions,
2 or charges permitted under section 502(6) of the revised school
3 code, 1976 PA 451, MCL 380.502, that are assigned to each school
4 currently authorized in a single academic year.

5 (h) The names of the members of the board of directors of each
6 school currently authorized and the date that each member of each
7 board was appointed, and a description of the methodology used by
8 the authorizing body to select members for the boards of directors
9 for each school currently authorized by the authorizing body.

10 (i) The name of the applicant who applied and received
11 approval to organize each currently authorized school.

12 (j) The list of contracts and length of their terms, with
13 education service providers associated with each school currently
14 authorized pursuant to section 502 of the revised school code, 1976
15 PA 451, MCL 380.502, as applicable. The contracts described in this
16 subdivision include, but are not limited to, those described in
17 section 502(2)(d) of the revised school code, 1976 PA 451, MCL
18 380.502.

19 (k) Activities undertaken by each university to ensure that
20 the board of directors of each school complies with the open
21 meetings act, 1976 PA 267, MCL 15.261 to 15.275, the freedom of
22 information act, 1976 PA 442, MCL 15.231 to 15.246, and laws
23 prohibiting conflicts of interest.

24 (l) A description of the activities undertaken by the
25 university to meet the functions of an authorizing body under
26 section 502 of the revised school code, 1976 PA 451, MCL 380.502,
27 as applicable.

28 (m) A financial report of the authorizing body's use of fees,
29 reimbursements, contributions, or charges collected or retained

1 under section 502(6) of the revised school code, 1976 PA 451, MCL
2 380.502. This report must include all of the following, at a
3 minimum:

4 (i) The total amount of fees collected or retained under
5 section 502(6) of the revised school code, 1976 PA 451, MCL
6 380.502, by the authorizing body for the authorizing body's most
7 recent fiscal year.

8 (ii) The amount of funds reported under subparagraph (i) that
9 were spent on compensation for faculty and staff employed primarily
10 to meet the functions of an authorizing body. For the purpose of
11 this subparagraph, an employee is presumed to be primarily employed
12 to meet the functions of an authorizing body if that employee
13 spends more than 50% of the employee's time on those activities.

14 (iii) The number of positions, organized by job title,
15 associated with expenditures reported under subparagraph (ii).

16 (iv) The amount of funds reported under subparagraph (i) that
17 were spent on contractual services to meet the functions of an
18 authorizing body.

19 (v) The amount of funds reported under subparagraph (i) that
20 were spent on other overhead costs to meet the functions of an
21 authorizing body.

22 (vi) The amount of funds reported under subparagraph (i) that
23 were transferred to another operating unit within the university.

24 (vii) The amount of funds reported under subparagraph (i) that
25 were spent on activities other than functioning as an authorizing
26 body, including a list of those activities and the amount
27 associated with each activity.

28 (n) An executive summary section that provides relevant
29 summary data for reporting requirements under subdivisions (a) to

1 (m) .

2 (2) A report submitted under this section must be in a format
3 that meets accessibility standards for viewing on the internet
4 under the Americans with disabilities act of 1990, Public Law 101-
5 336.

6 (3) A report submitted under this section must be published
7 and updated through a link on the homepage of the public
8 university's website.

9 (4) In addition to the reporting requirements under this
10 section, each authorizing body that receives an appropriation under
11 section 236 shall adopt a facilities policy ensuring that any
12 structures or other property vacated by a public school academy
13 that ceases operation not contribute to blight in the surrounding
14 neighborhood or community in which the school had previously
15 operated.

16 (5) ~~(4)~~—As used in this section, "authorizing body" means that
17 term as defined in section 501 of the revised school code, 1976 PA
18 451, MCL 380.501.

19 **Sec. 275l. (1) Subject to subsection (2), the state treasurer**
20 **shall reduce payments made under section 254 for any public**
21 **university that is an authorizing body by an amount equal to the**
22 **difference between the amount reported under section 275k(1) (m) (i)**
23 **during the previous fiscal year and 1% times the total state school**
24 **aid received by all public school academies authorized by the**
25 **authorizing body during that fiscal year. The state treasurer may**
26 **coordinate with the state budget office or any other state**
27 **department or agency to administer this section.**

28 (2) If the calculation under subsection (1) would result in a
29 net payment under section 254 that is a negative number, the

1 payment under section 254 must be \$0.00.

2 (3) As used in this section:

3 (a) "Authorizing body" means that term as defined in section
4 501 of the revised school code, 1976 PA 451, MCL 380.501.

5 (b) "Total state school aid" means that term as used in
6 section 502 of the revised school code, 1976 PA 451, MCL 380.502.

7 Sec. 275n. A student may not receive an award under a
8 scholarship program receiving an appropriation under section 236(7)
9 under either of the following conditions:

10 (a) The student is enrolled in a program of study leading to a
11 degree in theology, divinity, or religious education.

12 (b) The student is enrolled at a college or university that
13 does not have a board-approved policy of inclusion and non-
14 discrimination that includes race, ethnicity, citizenship, color,
15 religion, gender and gender identity, sexual orientation, national
16 origin, veteran status, ability status, or any other characteristic
17 protected under the Elliott-Larsen civil rights act, 1976 PA 453,
18 MCL 37.2101 to 37.2804.

19 Sec. 275o. (1) By December 31, 2025, each public university
20 that receives an appropriation under section 236 shall produce a
21 report detailing any increases, decreases, or other substantive
22 changes to diversity, equity, and inclusion programs made after
23 January 1, 2025.

24 (2) If the report described in subsection (1) documents a
25 change that could reduce access to a diversity, equity, or
26 inclusion program for that university's students or employees, the
27 university shall also report other efforts, programs, or resources
28 that the university provides that would serve to mitigate any
29 negative consequences associated with the documented program

1 **reduction.**

2 Sec. 276. (1) Included in the appropriation for fiscal year
3 ~~2024-2025-2025-2026~~ for each public university in section 236 is
4 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
5 future faculty fellowship program that is intended to increase the
6 pool of academically or economically disadvantaged candidates
7 pursuing faculty or administration careers in postsecondary
8 education in this state. Preference may not be given to applicants
9 on the basis of race, color, ethnicity, gender, or national origin.
10 Institutions should encourage applications from applicants who
11 would otherwise not adequately be represented in the graduate
12 student, faculty, or administration populations. Each public
13 university shall apply the percentage change applicable to every
14 public university in the calculation of appropriations in section
15 236 to the amount of funds allocated to the future faculty
16 fellowship program.

17 (2) Each public university shall administer the program in a
18 manner prescribed by the department of labor and economic
19 opportunity. The department of labor and economic opportunity shall
20 use a good-faith effort standard to evaluate whether a fellowship
21 is in default. All of the following apply to the program:

22 (a) By June 15 of each year, public universities shall report
23 any anticipated unexpended or unencumbered program funds to the
24 department of labor and economic opportunity. Encumbered funds are
25 those funds that were committed by a fellowship agreement that is
26 signed during the current fiscal year or administrative expenses
27 that have been approved by the department of labor and economic
28 opportunity.

29 (b) Before September 1 of each year, unexpended or

1 unencumbered funds may be transferred, under the direction of the
 2 department of labor and economic opportunity, to a future faculty
 3 fellowship program at another public university to be awarded to an
 4 eligible candidate at that public university.

5 (c) Program allocations not expended or encumbered by
 6 September 30, ~~2026~~**-2027** must be returned to the department of labor
 7 and economic opportunity so that those funds may lapse to the state
 8 general fund.

9 (d) Not more than 5% of each public university's allocation
 10 for the program may be used for administration of the program.

11 (e) In addition to the appropriation for fiscal year ~~2024-~~
 12 ~~2025,~~**-2025-2026**, any revenue received during prior fiscal years by
 13 the department of labor and economic opportunity from defaulted
 14 fellowship agreements is appropriated for the purposes originally
 15 intended.

16 Sec. 277. (1) Included in the appropriation for fiscal year
 17 ~~2024-2025~~**-2025-2026** for each public university in section 236 is
 18 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
 19 college day program that is intended to introduce academically or
 20 economically disadvantaged schoolchildren to the potential of a
 21 college education in this state. Preference may not be given to
 22 participants on the basis of race, color, ethnicity, gender, or
 23 national origin. Public universities should encourage participation
 24 from those who would otherwise not adequately be represented in the
 25 student population.

26 (2) Individual program plans of each public university must
 27 include a budget of equal contributions from this program, the
 28 participating public university, the participating school district,
 29 and the participating independent degree-granting college. College

1 day funds must not be expended to cover indirect costs. Not more
2 than 20% of the university match may be attributable to indirect
3 costs. Each public university shall apply the percentage change
4 applicable to every public university in the calculation of
5 appropriations in section 236 to the amount of funds allocated to
6 the college day program.

7 (3) Each public university shall administer the program
8 described in this section in a manner prescribed by the department
9 of labor and economic opportunity.

10 Sec. 278. (1) Included in the appropriation for fiscal year
11 ~~2024-2025~~**2025-2026** for each public university in section 236 is
12 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
13 select student support services program for developing academically
14 or economically disadvantaged student retention programs for 4-year
15 public and independent educational institutions in this state.
16 Preference may not be given to participants on the basis of race,
17 color, ethnicity, gender, or national origin. Institutions should
18 encourage participation from those who would otherwise not
19 adequately be represented in the student population.

20 (2) An award made under this program to any 1 institution must
21 not be greater than \$150,000.00, must have an award period of no
22 more than 2 years, and must be matched on a 70% state, 30% college
23 or university basis.

24 (3) The department of labor and economic opportunity shall
25 administer the program described in this section.

26 Sec. 279. (1) Included in the appropriation for fiscal year
27 ~~2024-2025~~**2025-2026** for each public university in section 236 is
28 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
29 college/university partnership program between 4-year public and

1 independent colleges and universities and public community
2 colleges, which is intended to increase the number of academically
3 or economically disadvantaged students who transfer from community
4 colleges into baccalaureate programs in this state. Preference may
5 not be given to participants on the basis of race, color,
6 ethnicity, gender, or national origin. Institutions should
7 encourage participation from those who would otherwise not
8 adequately be represented in the transfer student population.

9 (2) The grants must be made under the program described in
10 this section to Michigan public and independent colleges and
11 universities. An award to any 1 institution must not be greater
12 than \$150,000.00, must have an award period of no more than 2
13 years, and must be matched on a 70% state, 30% college or
14 university basis.

15 (3) The department of labor and economic opportunity shall
16 administer the program described in this section.

17 Sec. 280. (1) Included in the appropriation for fiscal year
18 ~~2024-2025~~**2025-2026** for each public university in section 236 is
19 funding for the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks
20 visiting professors program, which is intended to increase the
21 number of instructors in the classroom to provide role models for
22 academically or economically disadvantaged students. Preference may
23 not be given to participants on the basis of race, color,
24 ethnicity, gender, or national origin. Public universities should
25 encourage participation from those who would otherwise not
26 adequately be represented in the student population.

27 (2) The department of labor and economic opportunity shall
28 administer the program described in this section.

29 (3) The amount allocated to each public university is

1 ~~\$11,184.00~~ **\$11,520.00** and is subject to an award period of no more
 2 than 2 years. Each public university receiving funds for fiscal
 3 year ~~2024-2025~~ **2025-2026** under this section shall report to the
 4 department of labor and economic opportunity by April 15, ~~2025~~ **2026**
 5 the amount of its unobligated and unexpended funds as of March 31,
 6 ~~2025~~ **2026** and a plan to expend the remaining funds by the end of
 7 the fiscal year. The amount of funding reported as not being
 8 expended may be transferred, under the direction of the department,
 9 to another public university for use under this section.

10 Sec. 281. (1) Included in the appropriation for fiscal year
 11 ~~2024-2025~~ **2025-2026** for each public university in section 236 is
 12 funding under the Martin Luther King, Jr. - Cesar Chavez - Rosa
 13 Parks initiative for the Morris Hood, Jr. educator development
 14 program, which is intended to increase the number of academically
 15 or economically disadvantaged students who enroll in and complete
 16 K-12 teacher education programs at the baccalaureate level and
 17 teach in this state. Preference may not be given to participants on
 18 the basis of race, color, ethnicity, gender, or national origin.
 19 Institutions should encourage participation from those who would
 20 otherwise not adequately be represented in the teacher education
 21 student population.

22 (2) The program described in this section must be administered
 23 by each state-approved teacher education institution in a manner
 24 prescribed by the department of labor and economic opportunity.

25 (3) Approved teacher education institutions may and are
 26 encouraged to use select student support services funding in
 27 coordination with the Morris Hood, Jr. funding to achieve the goals
 28 of the program described in this section.

29 Sec. 282. (1) Each institution receiving funds for fiscal year

1 ~~2024-2025-2025-2026~~ under section 278, 279, or 281 shall provide to
2 the department of labor and economic opportunity by April 15, ~~2025~~
3 **2026** the unobligated and unexpended funds as of March 31, ~~2025-2026~~
4 and a plan to expend the remaining funds by the end of the fiscal
5 year. Notwithstanding the award limitations in sections 278 and
6 279, the amount of funding reported as not being expended will be
7 reallocated to the institutions that intend to expend all funding
8 received under section 278, 279, or 281.

9 (2) Funds received for the purpose of administering programs
10 under sections 278, 279, and 281 must not be used for direct
11 financial aid or indirect financial aid. However, a public
12 university may provide academic incentives to motivate
13 participating students as approved by the department. As used in
14 this subsection:

15 (a) "Direct financial aid" includes, but is not limited to,
16 scholarships, payment of tuition, stipends, and work-studies.

17 (b) "Indirect financial aid" includes, but is not limited to,
18 transportation, textbook allowances, child care support, and
19 assistance with medical premiums or expenses.

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

27 (2) Michigan high schools shall systematically inform the
28 public universities about the use of information received under
29 this section in a manner prescribed by the Michigan Association of

1 Secondary School Principals in cooperation with the Michigan
2 Association of State Universities.

3 (3) The center shall conduct a review of the statewide
4 longitudinal data system and associated data collection processes
5 to identify strategies that would allow for the legal dissemination
6 of student directory information for all students in grades 11 and
7 12 to Michigan public and independent nonprofit postsecondary
8 institutions. The center shall collaborate with relevant
9 stakeholders to recommend a process to share this data by June 30,
10 ~~2024~~**2026**.

11 Sec. 284. Using data provided to the center as required by
12 section 244 of this act, the center shall use the P-20 longitudinal
13 data system to inform Michigan community colleges regarding the
14 academic status of community college transfer students. The center
15 shall work with the **department of lifelong education, advancement,**
16 **and potential, the** universities, and the Michigan Association of
17 State Universities in cooperation with the Michigan Community
18 College Association.

19 Sec. 285. From the funds appropriated in section 236(2),
20 public universities shall work with the state community colleges to
21 encourage the transfer of students from the community colleges to
22 the public universities and to facilitate the transfer of credits
23 from the community colleges to those public universities. **Each**
24 **public university that receives an appropriation under section 236**
25 **shall consult with the department of lifelong education,**
26 **advancement, and potential at least once an academic year on the**
27 **policies and services the institution implements regarding transfer**
28 **credits and transfer students.**

29 Sec. 286. From the funds appropriated in section 236(2),

1 public universities shall work with community colleges in this
2 state to implement statewide reverse transfer agreements to
3 increase the number of students that are awarded credentials of
4 value upon completion of the necessary credits. These statewide
5 agreements shall enable students who have earned a significant
6 number of credits at a community college and transfer to a
7 baccalaureate granting institution before completing a degree to
8 transfer the credits earned at the baccalaureate institution back
9 to the community college in order to be awarded a credential of
10 value. **Each public university that receives an appropriation under**
11 **section 236 shall consult with the department of lifelong**
12 **education, advancement, and potential at least once an academic**
13 **year on the policies and services the institution implements**
14 **regarding reverse transfer agreements.**

15 ~~Sec. 287. Not later than the first business day of January of~~
16 ~~each year, the center shall work with the department of lifelong~~
17 ~~education, advancement, and potential to collect and publish the~~
18 ~~average cost of attendance data for full-time first-time students~~
19 ~~from the federal Integrated Postsecondary Education Data System~~
20 ~~(IPEDS) for each community college that receives an appropriation~~
21 ~~in section 201, each federally recognized tribal college in this~~
22 ~~state, each public university that receives an appropriation in~~
23 ~~section 236, and each independent nonprofit college or university~~
24 ~~in this state as described in section 1 of 1966 PA 313, MCL~~
25 ~~390.991, using the most recently released data from IPEDS.~~**Not later**
26 **than December 1 of each year, each public university that receives**
27 **an appropriation in section 236 shall provide a report to the house**
28 **and senate appropriations subcommittees on higher education, the**
29 **house and senate fiscal agencies, and the state budget director**

1 **providing an itemized cost of attendance for full-time students**
2 **attending that public university for the current and previous 2**
3 **academic years.**

4 Enacting section 1. In accordance with section 30 of article
5 IX of the state constitution of 1963, total state spending from
6 state sources for higher education for fiscal year 2025-2026 under
7 article III of the state school aid act of 1979, 1979 PA 94, MCL
8 388.1836 to 388.1891, as amended by this amendatory act, is
9 estimated at \$2,409,122,700.00 and the amount of that state
10 spending from state sources to be paid to local units of government
11 for fiscal year 2025-2026 is estimated at \$0.00.

12 Enacting section 2. Sections 236d, 236f, 236n, and 236r, of
13 the state school aid act of 1979, 1979 PA 94, MCL 388.1836d,
14 388.1836f, 388.1836n, and 388.1836r, are repealed effective October
15 1, 2025.

16 Enacting section 3. This amendatory act takes effect October
17 1, 2025.