

**SUBSTITUTE FOR
SENATE BILL NO. 542**

A bill to amend 2014 PA 259, entitled
"Michigan national guard tuition assistance act,"
by amending sections 3 and 4 (MCL 32.433 and 32.434), as amended by
2023 PA 33.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. (1) The Michigan National Guard tuition assistance
2 program is created within the department of military and veterans
3 affairs.

4 (2) The adjutant general shall administer the tuition
5 assistance program and prescribe forms and procedures to
6 effectively carry out the tuition assistance program.

7 (3) An eligible person may apply for tuition assistance from
8 the tuition assistance program before enrolling in an eligible

1 educational institution. The adjutant general shall approve the
2 application if the applicant is an eligible person and if there is
3 sufficient money in the fund to cover the amount of tuition
4 assistance determined to be available under this subsection by the
5 adjutant general in that academic year. The adjutant general shall
6 determine the amount of tuition assistance that may be provided
7 under this subsection in any academic year. The amount of tuition
8 assistance determined by the adjutant general under this subsection
9 applies to all eligible persons.

10 (4) If an eligible person has enrolled in an eligible
11 educational institution and has not applied for and received
12 tuition assistance from the tuition assistance program, the
13 eligible person may apply for tuition assistance for tuition paid
14 to the eligible educational institution in that current academic
15 year. The adjutant general shall approve the application if the
16 applicant is an eligible person and if there is sufficient money in
17 the ~~fund~~ **Michigan National Guard member benefits fund created in**
18 **the Michigan National Guard member benefits fund act** to cover the
19 amount of tuition assistance determined to be available under this
20 subsection by the adjutant general in that academic year. The
21 adjutant general shall determine the amount of tuition assistance
22 that may be provided under this subsection in any academic year.
23 The amount of tuition assistance determined by the adjutant general
24 under this subsection applies to all eligible persons.

25 (5) The tuition assistance program applies to any course of
26 study that is intended to culminate in vocational or technical
27 training, a certificate, or the eligible person's first associate
28 degree, bachelor's degree, or master's degree.

29 (6) The adjutant general may make a tuition assistance

1 distribution under this section to either the eligible person or
2 the eligible education institution, and may determine when the
3 distribution is made.

4 (7) Upon completion of a course of study, an eligible person
5 who successfully applied for tuition assistance under subsection
6 (3) or (4) must provide evidence of attendance and completion of
7 the course of study with a minimum grade point average of 2.0 on a
8 4.0 scale, as applicable, in that current semester, in a manner
9 prescribed by the adjutant general.

10 (8) If an eligible person who received tuition assistance
11 under subsection (3) or who received reimbursement for the cost of
12 tuition under subsection (4) did not complete the course of study
13 for which it was granted, that eligible person must reimburse the
14 fund in an amount and in a manner prescribed by the adjutant
15 general unless the eligible person was deployed in a state or
16 federal status that resulted in the eligible person's inability to
17 complete the course of study. In that case, the matter must be
18 determined by the adjutant general.

19 (9) The adjutant general may establish a policy that allows 1
20 or more of the following individuals who are family members of an
21 eligible person to utilize the eligible person's tuition assistance
22 established under this act, in a manner prescribed by the adjutant
23 general and consistent with the requirements of this act that are
24 applicable to the eligible person:

25 (a) A lawfully married spouse.

26 (b) A dependent child, stepchild, or legally adopted child who
27 has graduated high school or obtained a high school diploma
28 equivalent certificate, or who has turned 18 years of age, and who
29 must use the eligible person's tuition assistance before turning 26

1 years of age.

2 Sec. 4. (1) The Michigan National Guard tuition assistance
3 fund is created within the state treasury.

4 (2) The state treasurer may receive money or other assets from
5 any source for deposit into the fund. The state treasurer shall
6 direct the investment of the fund. The state treasurer shall credit
7 to the fund interest and earnings from the fund.

8 (3) The balance of money in the fund must not exceed
9 \$15,000,000.00. Any balance of money in the fund in excess of
10 \$15,000,000.00 lapses to the general fund. Money in the fund at the
11 close of the fiscal year remains in the fund and, except as
12 otherwise provided in this subsection, does not lapse to the
13 general fund. **The unencumbered balance remaining in the fund at the**
14 **end of the fiscal year ending September 30, 2025 must be**
15 **transferred to the Michigan National Guard member benefits fund**
16 **created in the Michigan National Guard member benefits fund act.**

17 (4) The department of military and veterans affairs is the
18 administrator of the fund for auditing purposes.

19 (5) The adjutant general shall expend money from the fund, **on**
20 **appropriation**, to provide tuition assistance to an eligible person,
21 or other individual described in section 3(9), for the cost of
22 tuition to an eligible educational institution under section 3(3)
23 or to reimburse an eligible person, or other individual described
24 in section 3(9), for the cost of tuition paid to an eligible
25 educational institution under section 3(4) for a course of study
26 completed by the eligible person, or other individual described in
27 section 3(9).

28 Enacting section 1. This amendatory act does not take effect
29 unless all of the following bills of the 103rd Legislature are

1 enacted into law:

2 (a) Senate Bill No. 540.

3 (b) Senate Bill No. 541.