

SENATE BILL NO. 382

June 10, 2025, Introduced by Senator ANTHONY and referred to Committee on Appropriations.

A bill to create a financial aid program for certain residents of this state who attend certain postsecondary educational institutions in this state; to provide for the administration of the financial aid program; to provide for the promulgation of rules; and to provide for the powers and duties of certain state officers and entities.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. (1) This act may be cited as the "Michigan achievement
2 scholarship act".

3 (2) The Michigan achievement scholarship is created in this

1 act and, subject to appropriation, is funded in article III of the
2 state school aid act of 1979, 1979 PA 94, MCL 388.1836 to 388.1891,
3 to provide last-dollar scholarship assistance to certain residents
4 of this state attending certain postsecondary educational
5 institutions in this state; to provide a community college
6 guarantee ensuring a tuition-free pathway for attendance at
7 eligible community colleges; to provide scholarship assistance for
8 attendance at eligible public and private universities; and to
9 provide scholarship recipients with greater access to the education
10 and skills needed to succeed in and meet the demands of this
11 state's evolving economy and workforce.

12 Sec. 3. As used in this act:

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

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

25 (c) "Eligible institution" means a public university that
26 receives an appropriation in section 236 of the state school aid
27 act of 1979, 1979 PA 94, MCL 388.1836, a community college that
28 receives an appropriation in section 201 of the state school aid
29 act of 1979, 1979 PA 94, MCL 388.1801, a federally recognized

1 tribal college in this state, or an independent nonprofit college
2 or university in this state as described in section 1 of 1966 PA
3 313, MCL 390.991.

4 (d) "Gift aid" includes federal Pell grants under 20 USC
5 1070a, tuition incentive program benefits under section 256 of the
6 state school aid act of 1979, 1979 PA 94, MCL 388.1856, state
7 tuition grants under section 252 of the state school aid act of
8 1979, 1979 PA 94, MCL 388.1852, amounts received for minimum
9 payments awarded under section 248 of the state school aid act of
10 1979, 1979 PA 94, MCL 388.1848, higher education expenses paid
11 under the Michigan promise zone authority act, 2008 PA 549, MCL
12 390.1661 to 390.1679, and all other federal, state, local, or
13 institutional aid in the form of grants, scholarships, or discounts
14 applied only toward tuition and mandatory fees. Gift aid does not
15 include student loans, work-study awards, qualified withdrawals
16 made from education savings accounts to pay higher education
17 expenses pursuant to the Michigan education savings program act,
18 2000 PA 161, MCL 390.1471 to 390.1486, or higher education expenses
19 paid under the Michigan education trust program pursuant to the
20 Michigan education trust act, 1986 PA 316, MCL 390.1421 to
21 390.1442.

22 (e) "High school equivalency certificate" means that term as
23 defined in section 4 of the state school aid act of 1979, 1979 PA
24 94, MCL 388.1604.

25 (f) "Last-dollar" means 1 of the following:

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

1 (ii) For a student attending a public university or an
2 independent nonprofit college or university, or for a student
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, an
5 amount equal to the student's individual cost of attendance, minus
6 all gift aid received by the student.

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

10 (i) Received the Michigan achievement scholarship in academic
11 year 2023-2024, was determined to have an expected family
12 contribution of \$25,000.00 or less in academic year 2023-2024, and
13 has completed the Free Application for Federal Student Aid for the
14 subsequent award cycles.

15 (ii) For awards made during academic year 2024-2025 or a
16 subsequent academic year, has a student aid index number of 30,000
17 or less. If the federal government replaces the student aid index
18 number with a new metric, the department shall collaborate with the
19 state budget office and the house and senate fiscal agencies to
20 adopt a new eligibility metric equivalent to a student aid index
21 number of 30,000 or less.

22 Sec. 5. (1) The department shall administer the Michigan
23 achievement scholarship pursuant to this act, the Michigan
24 achievement skills scholarship act, article III of the state school
25 aid act of 1979, 1979 PA 94, MCL 388.1836 to 388.1891, and the
26 administrative procedures of the department.

27 (2) Payments for Michigan achievement scholarships are subject
28 to appropriation under article III of the state school aid act of
29 1979, 1979 PA 94, MCL 388.1836 to 388.1891.

1 Sec. 7. Subject to section 9(2), an individual must meet all
2 of the following criteria each year to be eligible for a Michigan
3 achievement scholarship awarded under this act:

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

6 (b) Have graduated with a high school diploma or certificate
7 of completion or achieved a high school equivalency certificate in
8 2023 or after.

9 (c) Be enrolled in an eligible institution as a full-time
10 undergraduate student, as defined by the eligible institution, for
11 the semester the award is received.

12 (d) Have enrolled for the first time in an eligible
13 institution during the 2023-2024 academic year, or a subsequent
14 academic year, within 15 months after high school graduation or
15 attainment of a high school equivalency certificate or have
16 received a Michigan achievement scholarship or Michigan achievement
17 skills scholarship in a previous academic year. For the purposes of
18 this subdivision, participation in a dual enrollment, early
19 college, or other similar program while attending high school does
20 not disqualify a student from being considered a first-time
21 enrollee.

22 (e) Maintain satisfactory academic progress, as defined by the
23 eligible institution in which the student is enrolled.

24 (f) Not be in default on a federal student loan.

25 (g) Apply for and accept all available gift aid for each
26 academic year in which the individual applies for a Michigan
27 achievement scholarship.

28 (h) For an individual who is enrolled at an eligible
29 institution that is a public university or an independent nonprofit

1 college or university, or who is enrolled in a baccalaureate degree
2 program described in section 121 of the community college act of
3 1966, 1966 PA 331, MCL 389.121, at an eligible institution, be an
4 SAI eligible student.

5 Sec. 9. (1) The department may only award scholarships under
6 this act subject to the availability of funds appropriated for the
7 Michigan achievement scholarship under section 236 of the state
8 school aid act of 1979, 1979 PA 94, MCL 388.1836. An eligible
9 student enrolled in an eligible institution must be awarded 1 of
10 the following amounts, as applicable:

11 (a) For an eligible student who is enrolled at an eligible
12 institution that is a community college or federally recognized
13 tribal college where the student is eligible for that institution's
14 in-district tuition rate, the last-dollar payment amount. The
15 amount awarded to a student receiving an award under this
16 subdivision who is eligible for a federal Pell grant under 20 USC
17 1070a may include an additional payment amount pursuant to section
18 248 of the state school aid act of 1979, 1979 PA 94, MCL 388.1848.

19 (b) For an eligible student who is enrolled at an eligible
20 institution that is a community college or federally recognized
21 tribal college where the student is not eligible for that
22 institution's in-district tuition rate, the last-dollar payment
23 amount or the in-district tuition and mandatory fees rate,
24 whichever is less. The amount awarded to a student receiving an
25 award under this subdivision who is eligible for a federal Pell
26 grant under 20 USC 1070a may include an additional payment amount
27 pursuant to section 248 of the state school aid act of 1979, 1979
28 PA 94, MCL 388.1848.

29 (c) For an eligible student who is enrolled at an eligible

1 institution that is a public university or an independent nonprofit
2 college or university, or is enrolled in a baccalaureate degree
3 program described in section 121 of the community college act of
4 1966, 1966 PA 331, MCL 389.121, the amount prescribed under section
5 248 of the state school aid act of 1979, 1979 PA 94, MCL 388.1848.

6 (2) An eligible student may receive a Michigan achievement
7 scholarship award under this act for a maximum of 5 consecutive
8 academic years, starting when the eligible student enrolls at an
9 eligible institution for the first time as described in section
10 7(d), less any period of eligibility used for a skills scholarship
11 awarded under the Michigan achievement skills scholarship act, and
12 not more than 3 years of which may be for attending eligible
13 institutions that are community colleges or federally recognized
14 tribal colleges unless the student is enrolled in a baccalaureate
15 degree program described in section 121 of the community college
16 act of 1966, 1966 PA 331, MCL 389.121. A student may not receive an
17 award under this act and the Michigan achievement skills
18 scholarship act during the same academic term.

19 Sec. 11. (1) In connection with its administration of the
20 Michigan achievement scholarship, the department shall do all of
21 the following:

22 (a) Develop and implement a process that, pursuant to this act
23 and section 248 of the state school aid act of 1979, 1979 PA 94,
24 MCL 388.1848, awards Michigan achievement scholarships to eligible
25 students who are attending eligible institutions.

26 (b) Work closely with eligible institutions to provide the
27 highest level of participation and ensure that all the requirements
28 of this act are met.

29 (c) Convene a workgroup to advise the department on the

1 administration of the Michigan achievement scholarship. The
2 workgroup must include participation from the Michigan Association
3 of State Universities and its institutional members, the Michigan
4 College Access Network, the Michigan Community College Association
5 and its institutional members, the Michigan Independent Colleges
6 and Universities and its institutional members, and any other
7 interested stakeholders and offices as determined by the
8 department.

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

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

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

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

20 (iv) The number of Michigan achievement scholarships that were
21 canceled due to failure to maintain satisfactory academic progress
22 as described in section 7(e).

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

27 (vi) The number of Michigan achievement scholarships that were
28 canceled due to a student's failure to maintain full-time status as
29 described in section 7(c).

1 (vii) The average Michigan achievement scholarship award per
2 student.

3 (viii) As applicable, a delineation of each measure described in
4 subparagraphs (i) to (vii) by sector, including community colleges,
5 tribal colleges, public universities, and independent colleges and
6 universities.

7 (2) Each eligible institution whose students receive awards
8 under this act shall cooperate with the department in a timely
9 manner to facilitate the creation of the report under subsection
10 (1)(d).

11 Sec. 13. (1) An eligible institution for the Michigan
12 achievement scholarship shall do all of the following:

13 (a) By April 1 of each year, submit a report to the
14 department, the state budget office, and the house and senate
15 fiscal agencies providing information as to the average amount of
16 institutional grant aid awarded to full-time first-time
17 undergraduate students for the immediately preceding 2
18 institutional fiscal years. If the average amount of institutional
19 grant aid awarded to full-time first-time undergraduate students in
20 the immediately preceding institutional fiscal year is less than
21 the average amount of institutional grant aid awarded to full-time
22 first-time undergraduate students in the year preceding the
23 immediately preceding institutional fiscal year, the institution
24 must include in the report a description of any changes to the
25 institutional financial aid during the 2 immediately preceding
26 institutional fiscal years. An institution's report of the average
27 amount of institutional grant aid awarded to full-time first-time
28 undergraduate students pursuant to this subdivision must be
29 consistent with data most recently reported to the Integrated

1 Postsecondary Education Data System.

2 (b) For each state fiscal year, maintain and report its
3 compliance with the following tuition and fee restraint rates, as
4 applicable:

5 (i) For an eligible institution that is a community college or
6 a federally recognized tribal college in this state, the tuition
7 and fee restraint rate described in article II of the state school
8 aid act of 1979, 1979 PA 94, MCL 388.1801 to 388.1830.

9 (ii) For an eligible institution that is a public university or
10 independent nonprofit college or university, the tuition and fee
11 restraint rate described in article III of the state school aid act
12 of 1979, 1979 PA 94, MCL 388.1836 to 388.1891. The report of an
13 eligible institution that is an independent nonprofit college or
14 university must include the actual tuition and mandatory fee rates
15 adopted by the institution's governing board for each academic year
16 as described in tuition and fee restraint provisions of article III
17 of the state school aid act of 1979, 1979 PA 94, MCL 388.1836 to
18 388.1891.

19 (2) The state budget director shall implement reporting
20 requirements to ensure that an eligible institution has satisfied
21 the tuition and fee restraint requirements of this section. The
22 state budget director has the sole authority to determine if an
23 eligible institution has met the requirements of this section.

24 (3) If an eligible institution exceeds the applicable tuition
25 and fee restraint rate for 2 consecutive years, the state budget
26 director may consider the institution ineligible to receive money
27 appropriated for Michigan achievement scholarships in the
28 subsequent academic year.

29 (4) If an institution is considered ineligible to receive

1 money appropriated for Michigan achievement scholarships under this
2 section, the state budget director must reevaluate the status of
3 the ineligible institution annually.

4 (5) It is the intent of the legislature that an eligible
5 institution will not make reductive changes to institutional grant
6 aid offered by that eligible institution that has the goal or net
7 effect of shifting the cost burden of those programs to the program
8 described in this act.

9 Sec. 15. (1) Except as otherwise provided in subsection (2),
10 the department may promulgate rules to implement this act pursuant
11 to the administrative procedures act of 1969, 1969 PA 306, MCL
12 24.201 to 24.328.

13 (2) The department shall not apply any student eligibility
14 criteria not listed in section 7.

15 Enacting section 1. This act does not take effect unless
16 Senate Bill No. 383 of the 103rd Legislature is enacted into law.