

THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)
Act 94 of 1979

***** 388.1848.amended THIS AMENDED SECTION IS EFFECTIVE OCTOBER 1, 2024 *****

388.1848.amended Michigan achievement scholarships; definitions; eligibility; reporting obligations.

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

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

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

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

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

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

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

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

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

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

(B) For a student indicating on the student's Free Application for Federal Student Aid that the student is not the only member of the student's household or the student's parents' household attending a postsecondary

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(5) Subject to section 248a(3)(f)(i), an eligible student may receive a Michigan achievement scholarship award under this section or section 248a for a maximum of 5 academic years, not more than 3 of which may be for attending eligible institutions that are community colleges or federally recognized tribal colleges unless

the student is enrolled in a baccalaureate degree program described in section 121 of the community college act of 1966, 1966 PA 331, MCL 389.121. A student may not receive an award under this section and section 248a(3)(f)(i) during the same academic year.

(6) The department shall work closely with participating institutions to provide the highest level of participation and 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.

(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.

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

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

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

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

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

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

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

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

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

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

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

(11) For each fiscal year, an eligible institution must maintain and report its compliance with the following tuition restraint requirements, as applicable:

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

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

(12) The state budget director shall implement reporting requirements to ensure that an eligible institution has satisfied the tuition restraint requirements of this section. The state budget director has the sole authority

to determine if an eligible institution has met the requirements of this section.

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

(14) If an institution is considered ineligible for funding under this section, the state budget director must reevaluate the status of the ineligible institution after 1 academic year.

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

History: Add. 2022, Act 212, Imd. Eff. Oct. 12, 2022;—Am. 2023, Act 103, Eff. Oct. 1, 2023;—Am. 2023, Act 320, Eff. Feb. 13, 2024;—Am. 2024, Act 120, Eff. Oct. 1, 2024.