

**SUBSTITUTE FOR
SENATE BILL NO. 463**

A bill to amend 1976 PA 451, entitled
"The revised school code,"
(MCL 380.1 to 380.1852) by adding section 1278e.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **Sec. 1278e. (1) Subject to subsection (2), beginning in the**
2 **2024-2025 school year, in addition to the requirements under**
3 **sections 1278a and 1278b, the board of a school district or board**
4 **of directors of a public school academy shall not award a high**
5 **school diploma to a student unless either of the following applies**
6 **to the student:**

7 **(a) The student has submitted the FAFSA to the United States**
8 **Department of Education.**

9 **(b) The student's parent or legal guardian, or the student if**



1 the student is 18 years of age or older, is an emancipated minor,
2 or is an unaccompanied youth, has submitted a parental waiver to
3 the school district or public school academy, through a standard
4 form prescribed by the department, exempting the student from the
5 requirement under subdivision (a).

6 (2) The board of a school district or the board of directors
7 of a public school academy shall exempt the student from the
8 requirements in subsection (1) by granting the student a hardship
9 waiver if either of the following is met:

10 (a) The student is ineligible to submit the FAFSA.

11 (b) All of the following are met:

12 (i) After a good-faith effort, the student's parent or legal
13 guardian refuses, is unresponsive, or cannot sign the parental
14 waiver.

15 (ii) The student is unable to submit the FAFSA as an
16 independent student.

17 (iii) The student agrees to opt out of completing the FAFSA.

18 (iv) Other than the requirements in subsection (1), the student
19 is on track to graduate.

20 (v) A school administrator of the student's high school
21 demonstrates to the board of the school district or the board of
22 directors of the public school academy that good-faith efforts have
23 been made to assist the student or the student's parent or legal
24 guardian in meeting the requirement in subsection (1) (a) or (b).

25 (vi) The board of the school district or board of directors of
26 the public school academy ensures compliance with 42 USC
27 11432(g) (6) (A).

28 (3) The department of lifelong education, advancement, and
29 potential shall create an informational packet that contains



1 information regarding all of the following and shall provide the
2 informational packet to school districts and public school
3 academies:

4 (a) The importance of completing the FAFSA for accessing
5 federal, state, institutional, and community-based financial aid to
6 access and complete a college degree or postsecondary certificate.

7 (b) A list of available state-based financial aid made
8 available through the FAFSA.

9 (c) How to properly complete and submit the FAFSA, including a
10 breakdown of the information and documentation required for the
11 completion and submission of the FAFSA, with particular attention
12 given to the ability of unaccompanied youth and youth who were in
13 foster care after the age of 13 to complete the FAFSA as
14 independent students to the extent allowable under federal law.

15 (d) Information regarding the parental waiver described under
16 subsection (1)(b).

17 (e) The FAFSA timeline and submission deadline.

18 (f) Definitions of terminology used in the FAFSA.

19 (g) Submission of the FAFSA directly to schools or scholarship
20 programs.

21 (h) The process required for properly completing the FAFSA
22 verification process.

23 (4) Each school district and public school academy shall
24 ensure that each student enrolled in a school district or public
25 school academy receive the informational packet described in
26 subsection (3) at least once before beginning grade 12.

27 (5) Each school district and public school academy shall take
28 reasonable steps to provide equal language access to students and
29 parents or legal guardians with limited English proficiency



1 throughout the FAFSA submission and opt-out process.

2 (6) By July 15, 2025, and each July 15 thereafter, a school
3 district or a public school academy that operates a high school
4 shall report to the department, and the department shall make
5 public and share with CEPI both of the following:

6 (a) The number of students enrolled in the school district or
7 public school academy who submitted a parental waiver described
8 under subsection (1)(b), disaggregated by school.

9 (b) The number of students enrolled in the school district or
10 public school academy who were granted a hardship waiver described
11 under subsection (2), disaggregated by school.

12 (7) By August 15, 2025, and each August 15 thereafter, for
13 each school district and public school academy that operates a high
14 school, the department of lifelong education, advancement, and
15 potential, in consultation with the department, shall include all
16 of the following information on its website:

17 (a) The percentage of students who submitted the FAFSA.

18 (b) The percentage of students who completed the FAFSA.

19 (c) The percentage of parental waivers submitted under
20 subsection (1)(b).

21 (d) The percentage of hardship waivers that were granted under
22 subsection (2).

23 (8) By not later than 2 weeks after the department of lifelong
24 education, advancement, and potential posts the information under
25 subsection (7) on its website, the department shall post the same
26 information on its website.

27 (9) Subject to federal and state privacy laws, the department
28 shall share data with the department of lifelong education,
29 advancement, and potential, and the department of lifelong



1 education, advancement, and potential shall maintain the MiSSG data
 2 management system that must include uploaded student-level FAFSA
 3 data, including, at a minimum, data points of the completed,
 4 submitted, or not submitted status; submission date; verification
 5 label; missing student signature label; missing parent signature
 6 label; and processed date. Before accessing the MiSSG data
 7 management system, the board of a school district or the board of
 8 directors of a public school academy shall ensure that both of the
 9 following are met:

10 (a) A school administrator shall submit a data user agreement
 11 to the department of lifelong education, advancement, and potential
 12 and shall annually resubmit a data user agreement to maintain
 13 access to the system.

14 (b) A school administrator shall designate at least 1
 15 authorized high school user to access the system.

16 (10) As used in this section:

17 (a) "CEPI" means the center for educational performance and
 18 information created in section 94a of the state school aid act of
 19 1979, MCL 388.1694a.

20 (b) "Equal language access" means the ability to receive
 21 information and to participate in and benefit from services
 22 provided by a school district or public school academy under this
 23 section at a level equal to English-proficient individuals.

24 (c) "FAFSA" means the Free Application for Federal Student
 25 Aid.

26 (d) "MiSSG data management system" means the department of
 27 lifelong education, advancement, and potential's Michigan student
 28 scholarships and grants data management system designed for access
 29 by students, authorized high school users, and financial aid



1 administrators.

2 (e) "Unaccompanied youth" means that term as defined in 42 USC

3 11434a.

