

# SENATE BILL NO. 719

February 14, 2024, Introduced by Senators DAMOOSE, SINGH, SHINK and BAYER and referred to the Committee on Appropriations.

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 248a and 256 (MCL 388.1848a and 388.1856), as amended by 2023 PA 103.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 248a. (1) The funds appropriated in section 236 for  
2 Michigan achievement scholarships must be distributed as provided  
3 in this section and section 248, pursuant to the administrative  
4 procedures for Michigan achievement scholarship private training  
5 program of the department.

1 (2) As used in this section:

2 (a) "Department" means the department of labor and economic  
3 opportunity.

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

6 (c) "Qualified occupational training program" means that term  
7 as defined in section 13 of the Michigan reconnect grant recipient  
8 act, 2020 PA 68, MCL 390.1713.

9 (3) The department shall do all of the following:

10 (a) Develop and implement a process by which those seeking to  
11 participate in the Michigan achievement scholarship private  
12 training program as training institutions offering qualified  
13 occupational training programs must apply to the department.

14 (b) Approve as a qualified occupational training program a  
15 program for which an application is submitted under subdivision (a)  
16 that meets all of the criteria to qualify as a qualified  
17 occupational training program, and post these criteria to the  
18 department's website.

19 (c) Ensure that an applicant under subdivision (a) is first  
20 included on this state's eligible training provider list before  
21 each of the applicant's programs receives separate approval from  
22 the department as being a qualified occupational training program.  
23 **This subdivision does not apply to a private, nonprofit institution**  
24 **in this state that provides career-oriented skilled trades**  
25 **instruction and is nationally accredited and approved for federal**  
26 **financial aid.**

27 (d) Require that training institutions accepted to participate  
28 in the Michigan achievement scholarship private training program  
29 comply with data requests from the department as a condition of

1 continued participation. For purposes of this subdivision, the  
2 department shall require institutions operating apprenticeship  
3 programs subject to this section to provide data that tracks  
4 relevant work experience required to verify a student's status as  
5 an apprentice.

6 (e) Maintain on its website a list of all qualified  
7 occupational training program options available to potential skills  
8 scholarship recipients.

9 (f) Award skills scholarships, subject to all of the  
10 following:

11 (i) A skills scholarship is a grant not to exceed \$2,000.00 per  
12 year to contribute to tuition costs for a qualified occupational  
13 training program at a training institution, both of which are  
14 approved under this section, for a training program participant who  
15 meets the requirements of subparagraph (ii). A skills scholarship  
16 must not exceed the full amount of the tuition charged for the  
17 training program. A program participant may receive a skills  
18 scholarship under this section for a maximum of 2 academic years.

19 (ii) To receive the skills scholarship described in  
20 subparagraph (i), a qualified occupational training program  
21 participant must meet all of the following:

22 (A) Be a resident of this state for at least the immediately  
23 preceding year.

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

27 (C) Not have previously earned an associate or baccalaureate  
28 degree.

29 (D) Not have previously earned a degree, certificate, or other

1 credential using a skills scholarship awarded under this section.

2 (E) Timely complete a Michigan achievement scholarship private  
3 training program skills scholarship application in a form and  
4 manner determined by the department.

5 (iii) The department may award skills scholarships under this  
6 section only until money appropriated to the Michigan achievement  
7 scholarship private training program has been fully committed.

8 (g) Inform each recipient of a skills scholarship that the  
9 recipient will remain eligible for the Michigan achievement  
10 scholarship under section 248 for a maximum of 5 years, less any  
11 years of eligibility used for a skills scholarship awarded under  
12 this section, to pursue an associate degree, baccalaureate degree,  
13 or occupational certificate upon completion of a certification  
14 course of study in a qualified occupational training program.

15 (4) Except as otherwise provided in subsection (5), the  
16 department shall promulgate rules to implement subsection (3) (a),  
17 (b), and (d) only, pursuant to the administrative procedures act of  
18 1969, 1969 PA 306, MCL 24.201 to 24.328, subject to all of the  
19 following:

20 (a) Under subsection (3) (a), the department is limited to  
21 developing the form for the application described in subsection  
22 (3) (a) and prescribing the time and manner of its completion.

23 (b) Under subsection (3) (b), the department is limited to  
24 applying the eligibility criteria described in subsection (3) (b)  
25 and shall not apply any other eligibility criteria.

26 (c) Under subsection (3) (d), the department is limited to  
27 requiring compliance with data requests as described in subsection  
28 (3) (d).

29 (5) To facilitate implementation of the Michigan achievement

1 scholarship private training program prior to final rules being  
2 adopted, the department may develop and administer the program in  
3 accordance with its proposed rules or other policy or directive of  
4 the department established pursuant to this section.

5 (6) It is the intent of the legislature that a training  
6 institution will not make changes to scholarship or financial aid  
7 programs offered by that training institution that have the goal or  
8 net effect of shifting the cost burden of those programs to the  
9 program described in this section.

10 Sec. 256. (1) The funds appropriated in section 236 for the  
11 tuition incentive program must be distributed as provided in this  
12 section and pursuant to the administrative procedures for the  
13 tuition incentive program of the department of treasury.

14 (2) As used in this section:

15 (a) "Phase I" means the first part of the tuition incentive  
16 program defined as the academic period of 80 semester or 120 term  
17 credits, or less, leading to an associate degree or certificate.  
18 Students must be enrolled in a certificate or associate degree  
19 program and taking classes within the program of study for a  
20 certificate or associate degree. Tuition will not be covered for  
21 courses outside of a certificate or associate degree program.

22 (b) "Phase II" means the second part of the tuition incentive  
23 program that provides assistance in the third and fourth year of 4-  
24 year degree programs.

25 (c) "Department" means the department of treasury.

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

28 (3) An individual must meet the following basic criteria and  
29 financial thresholds to be eligible for tuition incentive program

1 benefits:

2 (a) To be eligible for phase I, an individual must meet all of  
3 the following criteria:

4 (i) Be less than 20 years of age at the time the individual  
5 graduates from high school with a diploma or certificate of  
6 completion or achieves a high school equivalency certificate or,  
7 for students attending a 5-year middle college approved by the  
8 Michigan department of education, be less than 21 years of age when  
9 the individual graduates from high school.

10 (ii) Be a United States citizen and a resident of this state  
11 according to institutional criteria.

12 (iii) Be at least a half-time student, earning less than 80  
13 semester or 120 term credits at a participating educational  
14 institution within 4 years of high school graduation or achievement  
15 of a high school equivalency certificate. All program eligibility  
16 expires 10 years after initial enrollment at a participating  
17 educational institution.

18 (iv) Meet the satisfactory academic progress policy of the  
19 educational institution attended by the individual.

20 (b) To be eligible for phase II, an individual must meet  
21 either of the following criteria in addition to the criteria in  
22 subdivision (a):

23 (i) Complete at least 56 transferable semester or 84  
24 transferable term credits.

25 (ii) Obtain an associate degree or certificate at a  
26 participating institution.

27 (c) To be eligible for phase I or phase II, an individual must  
28 be financially eligible as determined by the department. An  
29 individual is financially eligible for the tuition incentive

1 program if the individual was eligible for Medicaid from this state  
2 for 24 months within any 36 months prior to completion of high  
3 school or achievement of a high school equivalency certificate. The  
4 department shall accept certification of Medicaid eligibility only  
5 from the department of health and human services for the purposes  
6 of verifying if a person is Medicaid eligible for 24 months within  
7 any 36 months prior to completion of high school or achievement of  
8 a high school equivalency certificate. Certification of eligibility  
9 may begin in the sixth grade.

10 (4) For phase I, the department shall provide payment on  
11 behalf of a person eligible under subsection (3). The department  
12 shall only accept standard per-credit hour tuition billings and  
13 shall reject billings that are excessive or outside the guidelines  
14 for the type of educational institution.

15 (5) For phase I, all of the following apply:

16 (a) Payments for associate degree or certificate programs must  
17 not be made for more than 80 semester or 120 term credits for any  
18 individual student at any participating institution. The department  
19 shall not do either of the following:

20 (i) Adopt or apply any total semester-credit or term-credit  
21 maximum that is less than the 80 semester-credit or 120 term-credit  
22 maximum provided in this subdivision.

23 (ii) Adopt or apply any per-semester or per-term credit maximum  
24 for a student whose semester-credit or term-credit load will not  
25 result in exceeding the total 80 semester-credit or 120 term-credit  
26 maximum provided in this subdivision.

27 (b) For persons enrolled at a Michigan community college, the  
28 department shall pay the current in-district tuition and mandatory  
29 fees. For persons residing in an area that is not included in any

1 community college district, the out-of-district tuition rate may be  
2 authorized.

3 (c) For persons enrolled at a Michigan public university, the  
4 department shall pay lower division resident tuition and mandatory  
5 fees for the current year.

6 (d) For persons enrolled at a Michigan independent, nonprofit  
7 degree-granting college or university, **or a nonprofit, certificate-**  
8 **granting accredited trade school**, a Michigan federal tribally  
9 controlled community college, or Focus: HOPE, the department shall  
10 pay mandatory fees for the current year and a per-credit payment  
11 that does not exceed the average community college in-district per-  
12 credit tuition rate as reported by the last business day of August  
13 for the immediately preceding academic year.

14 (6) A person participating in phase II may be eligible for  
15 additional funds not to exceed \$500.00 per semester or \$400.00 per  
16 term up to a maximum of \$2,000.00 subject to the following  
17 conditions:

18 (a) Credits are earned in a 4-year program at a Michigan  
19 degree-granting 4-year college or university.

20 (b) The tuition reimbursement is for coursework completed  
21 within 30 months of completion of the phase I requirements.

22 (7) The department shall work closely with participating  
23 institutions to provide the highest level of participation and  
24 ensure that all requirements of the program are met.

25 (8) The department shall notify students of their financial  
26 eligibility for the program any time after the student begins sixth  
27 grade.

28 (9) Except as otherwise provided in sections 13(c) and 17 of  
29 the Michigan reconnect grant recipient act, 2020 PA 68, MCL



1 390.1713 and 390.1717, each institution shall ensure that all known  
2 available restricted grants for tuition and fees are used before  
3 billing the tuition incentive program for any portion of a  
4 student's tuition and fees.

5 (10) The department shall ensure that the tuition incentive  
6 program is well publicized and that eligible Medicaid clients are  
7 provided information on the program. The department shall provide  
8 the necessary funding and staff to fully operate the program.

9 (11) The department shall collaborate with the center to use  
10 the P-20 longitudinal data system to report the following  
11 information for each qualified postsecondary institution:

12 (a) The number of phase I students in the most recently  
13 completed academic year who in any academic year received a tuition  
14 incentive program award and who successfully completed a degree or  
15 certificate program. Cohort graduation rates for phase I students  
16 must be calculated using the established success rate methodology  
17 developed by the center in collaboration with the postsecondary  
18 institutions.

19 (b) The number of students in the most recently completed  
20 academic year who in any academic year received a Pell grant at the  
21 reporting institution and who successfully completed a degree or  
22 certificate program. Cohort graduation rates for students who  
23 received Pell grants must be calculated using the established  
24 success rate methodology developed by the center in collaboration  
25 with the postsecondary institutions.

26 (12) If a qualified postsecondary institution does not report  
27 the data necessary to complete the reporting in subsection (11) to  
28 the P-20 longitudinal data system by October 15 for the prior  
29 academic year, the department shall not award phase I tuition

- 1 incentive program funding to otherwise eligible students enrolled
- 2 in that institution until the data are submitted.