

**SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 5580**

A bill to amend 1979 PA 94, entitled  
"The state school aid act of 1979,"  
by amending section 256 (MCL 388.1856), as amended by 2019 PA 62.

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

1           Sec. 256. (1) The funds appropriated in section 236 for the  
2 tuition incentive program ~~shall~~**must** be distributed as provided in  
3 this section and pursuant to the administrative procedures for the  
4 tuition incentive program of the department of treasury.

5           (2) As used in this section:

6           (a) "Phase I" means the first part of the tuition incentive  
7 program defined as the academic period of 80 semester or 120 term  
8 credits, or less, leading to an associate degree or certificate.  
9 Students must be enrolled in a certificate or associate degree



1 program and taking classes within the program of study for a  
2 certificate or associate degree. Tuition will not be covered for  
3 courses outside of a certificate or associate degree program.

4 (b) "Phase II" means the second part of the tuition incentive  
5 program ~~which~~**that** provides assistance in the third and fourth year  
6 of 4-year degree programs.

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

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

10 (3) An individual ~~shall~~**must** meet the following basic criteria  
11 and financial thresholds to be eligible for tuition incentive  
12 program benefits:

13 (a) To be eligible for phase I, an individual ~~shall~~**must** meet  
14 all of the following criteria:

15 (i) Apply for certification to the department any time after he  
16 or she begins the sixth grade but before August 31 of the school  
17 year in which he or she graduates from high school or before  
18 achieving a high school equivalency certificate.

19 (ii) Be less than 20 years of age at the time he or she  
20 graduates from high school with a diploma or certificate of  
21 completion or achieves a high school equivalency certificate or,  
22 for students attending a 5-year middle college approved by the  
23 Michigan department of education, be less than 21 years of age when  
24 he or she graduates from high school.

25 (iii) Be a United States citizen and a resident of this state  
26 according to institutional criteria.

27 (iv) Be at least a half-time student, earning less than 80  
28 semester or 120 term credits at a participating educational  
29 institution within 4 years of high school graduation or achievement



1 of a high school equivalency certificate. All program eligibility  
2 expires 6 years from high school graduation or achievement of a  
3 high school equivalency certificate.

4 (v) Meet the satisfactory academic progress policy of the  
5 educational institution he or she attends.

6 (b) To be eligible for phase II, an individual ~~shall~~**must** meet  
7 either of the following criteria in addition to the criteria in  
8 subdivision (a):

9 (i) Complete at least 56 transferable semester or 84  
10 transferable term credits.

11 (ii) Obtain an associate degree or certificate at a  
12 participating institution.

13 (c) To be eligible for phase I or phase II, an individual must  
14 be financially eligible as determined by the department. An  
15 individual is financially eligible for the tuition incentive  
16 program if he or she was eligible for Medicaid from this state for  
17 24 months within the 36 consecutive months before application. The  
18 department shall accept certification of Medicaid eligibility only  
19 from the department of health and human services for the purposes  
20 of verifying if a person is Medicaid eligible for 24 months within  
21 the 36 consecutive months before application. Certification of  
22 eligibility may begin in the sixth grade.

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

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

29 (a) Payments for associate degree or certificate programs



1 ~~shall~~**must** not be made for more than 80 semester or 120 term  
2 credits for any individual student at any participating  
3 institution.

4 (b) For persons enrolled at a Michigan community college, the  
5 department shall pay the current in-district tuition and mandatory  
6 fees. For persons residing in an area that is not included in any  
7 community college district, the out-of-district tuition rate may be  
8 authorized.

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

12 (d) For persons enrolled at a Michigan independent, nonprofit  
13 degree-granting college or university, or a Michigan federal  
14 tribally controlled community college, or Focus: HOPE, the  
15 department shall pay mandatory fees for the current year and a per-  
16 credit payment that does not exceed the average community college  
17 in-district per-credit tuition rate as reported on August 1, for  
18 the immediately preceding academic year.

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

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

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

27 (7) The department shall work closely with participating  
28 institutions to develop an application and eligibility  
29 determination process that will provide the highest level of



1 participation and ensure that all requirements of the program are  
2 met.

3 (8) Applications for the tuition incentive program may be  
4 approved at any time after the student begins the sixth grade. If a  
5 determination of financial eligibility is made, that determination  
6 is valid as long as the student meets all other program  
7 requirements and conditions.

8 (9) ~~Each~~ **Except as otherwise provided in section 3(d) of the**  
9 **Michigan reconnect grant act and section 17 of the Michigan**  
10 **reconnect grant recipient act, each** institution shall ensure that  
11 all known available restricted grants for tuition and fees are used  
12 prior to billing the tuition incentive program for any portion of a  
13 student's tuition and fees.

14 (10) The department shall ensure that the tuition incentive  
15 program is well publicized and that eligible Medicaid clients are  
16 provided information on the program. The department shall provide  
17 the necessary funding and staff to fully operate the program.

18 (11) Any unexpended and unencumbered funds remaining on  
19 September 30, 2020 from the amounts appropriated in section 236 for  
20 the tuition incentive program for fiscal year 2019-2020 do not  
21 lapse on September 30, 2020, but continue to be available for  
22 expenditure for tuition incentive program funds under a work  
23 project account.

24 (12) The department of treasury shall collaborate with the  
25 center to use the P-20 longitudinal data system to report the  
26 following information for each qualified postsecondary institution:

27 (a) The number of phase I students in the most recently  
28 completed academic year who in any academic year received a tuition  
29 incentive program award and who successfully completed a degree or



1 certificate program. Cohort graduation rates for phase I students  
 2 shall be calculated using the established success rate methodology  
 3 developed by the center in collaboration with the postsecondary  
 4 institutions.

5 (b) The number of students in the most recently completed  
 6 academic year who in any academic year received a Pell grant at the  
 7 reporting institution and who successfully completed a degree or  
 8 certificate program. Cohort graduation rates for students who  
 9 received Pell grants ~~shall~~**must** be calculated using the established  
 10 success rate methodology developed by the center in collaboration  
 11 with the postsecondary institutions.

12 (13) If a qualified postsecondary institution does not report  
 13 the data necessary to comply with subsection (12) to the P-20  
 14 longitudinal data system, the institution shall report, in a form  
 15 and manner satisfactory to the department of treasury and the  
 16 center, all of the information needed to comply with subsection  
 17 (12) by December 1 2020.

18 (14) Beginning in fiscal year 2020-2021, if a qualified  
 19 postsecondary institution does not report the data necessary to  
 20 complete the reporting in subsection (12) to the P-20 longitudinal  
 21 data system by October 15 for the prior academic year, the  
 22 department of treasury shall not award phase I tuition incentive  
 23 program funding to otherwise eligible students enrolled in that  
 24 institution until the data are submitted.

25 Enacting section 1. This amendatory act does not take effect  
 26 unless both of the following bills of the 100th Legislature are  
 27 enacted into law:

28 (a) Senate Bill No. 268.

29 (b) House Bill No. 5576.

