

Legislative Analysis



MICHIGAN RECONNECT GRANT ACT AND MICHIGAN RECONNECT GRANT RECIPIENT ACT

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 6129 as introduced
Sponsor: Rep. Ben Frederick

Analysis available at
<http://www.legislature.mi.gov>

House Bill 6130 as introduced
Sponsor: Rep. Sarah Anthony

Committee: Appropriations
Complete to 8-17-22

SUMMARY:

House Bill 6129 would amend the Michigan Reconnect Grant Act, which created the Michigan Reconnect Grant Program and the Reconnect Private Training Learning Initiative located in the Department of Labor and Economic Opportunity (LEO). The Reconnect programs currently provide grants to eligible recipients to pursue an associate degree or industry certificate or credential at an eligible public community college or training program.

The bill would make a number of revisions to the act. Specifically, the bill would lower the current program age restriction from 25 to 21 and revise various reporting requirements for eligible institutions that participate in the Reconnect program. Academic support requirements, specifically around remedial education, would be amended. The bill provides that additional remediation programs are to be offered at no cost to program participants.

The bill would implement various practices participating institutions must follow that allow for accelerated completion toward a degree, certificate, or credential, such as allowing students to participate in competency-based courses and programs, where credit is received upon mastery of course material instead of a set period of time, credit by examination, and similar pathways to earn college credit at an accelerated rate.

Eligible institutions would be reimbursed for the awarding of college credit for prior learning at a \$20 per credit hour rate when credit is awarded to Reconnect participants through programs like Advanced Placement, College-Level Examination Program (CLEP), the DANTES Subject Standardized Test (DSST), military training, work-based learning, portfolio assessment, or other types of credit for prior learning determined by LEO.

A new reporting structure for eligible institutions would be implemented, where participating institutions would report a baseline four-year completion rate for Reconnect students. Institutions would then annually report completion rates in order to remain in full standing with the program.

Institutions below a 30% four-year completion rate would need to improve by 3% each year until 30% is reached. After reaching 30%, the institution would need to improve by 2% until a 50% completion rate is reached. Finally, the institution would need to improve by an unspecified amount each year until a 75% completion rate is reached. Similar guidelines are

set for institutions that fall between a 30% and 50% completion rate and between a 50% and 75% completion rate. Institutions that fail to improve are placed on a probationary status for one year and must work with LEO, the Office of Sixty by 30, the Michigan Community College Association, and the Michigan Center for Adult College Success on a correction action plan.

An institution that failed to improve after the probationary period would fall into limited program standing, which would result in new Reconnect students attending the institution not being eligible to receive Reconnect program funding.

The bill would create the Michigan Center for Adult College Success either within LEO or, if connected with an appropriation, in another state department or agency or an appropriate nonprofit organization. The center would serve as the state's primary resource concerning adult enrollment and degree completion, including research, support models, and best practices. with funding located currently in the FY 2022-23 Community College budget (2022 PA 144).

Finally, the bill would add a provision to automatically repeal the act four years after the date the bill is enacted.

MCL 390.1701, 390.1703, and 390.1705

House Bill 6130 would amend the Michigan Reconnect Grant Recipient Act, which also contains program details for the Michigan Reconnect Grant Program and the Reconnect Private Training Learning Initiative.

The bill would revise the definition of *gift aid*, which is used to help determine individual Reconnect grant awards. The bill would provide that program grant funding must be awarded by either the cost of tuition and fees minus gift aid or in-district tuition and fees minus gift aid, whichever amount is lower.

The definition of *qualified occupational training program* would be revised to include additional details as to which training programs qualify to participate in the Reconnect Private Training Learning Initiative.

The age requirement of both the Michigan Reconnect and the Private Training Learning Initiative programs would be lowered from age 25 to age 21.

The bill would revise the half-time enrollment requirement to specify that a participant must earn at least 12 credits at the end of an academic year.

Participants who withdraw from courses or a degree program would have to repay awarded grant funding.

Finally, the bill would add a provision to automatically repeal the act four years after the date the bill is enacted.

MCL 390.1711 et seq.

The bills are tie-barred to one another, which means that neither bill could take effect unless both bills were enacted.

FISCAL IMPACT:

House Bills 6129 and 6130 would have an indeterminate impact on the Michigan Reconnect Program, but one that would result in increased costs.

In FY 2020-21, \$14.2 million was awarded for Michigan Reconnect grants to 17,085 students. Since program eligibility would be expanded to students between the ages of 21 to 24 through implementation of the bills, more students would be able to apply and receive program funding. However, it is difficult to determine just how many newly eligible students would participate and how much additional program funding would be awarded.

In FY 2021-22, \$55.0 million Gross (\$50.0 million GF/GP) is appropriated for the Michigan Reconnect Grant Program in the LEO budget (Article 5 of 2021 PA 87). In the enacted FY 2022-23 LEO budget, the program is appropriated \$55.0 million GF/GP.

The bills may increase administrative oversight costs for LEO by an unknown amount. In FY 2020-21, LEO expended approximately \$1.4 million to administer and support the Michigan Reconnect Grant Program: \$960,000 for oversight and implementation and \$415,000 for program support services. Any increase in costs for LEO would depend upon the growth of administrative responsibilities due to an increase in the program from variables such as additional enrollment at community colleges and the number of students that would now be eligible for the program under the bills' provisions.

In the enacted FY 2022-23 Community Colleges budget, \$9.2 million Gross is appropriated for the Michigan Center for Adult College Success.

Fiscal Analysts: Viola Bay Wild
Perry Zielak

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.