

SUBSTITUTE FOR  
HOUSE BILL NO. 4008

A bill to amend 1972 PA 251, entitled

"An act to provide for the reciprocal exchange of educational services between this state and other states; to provide for reduced or waived tuition, and to designate the state agency for negotiating agreements,"

by amending sections 1, 2, 3, 4, and 5 (MCL 390.501, 390.502, 390.503, 390.504, and 390.505).

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

1       Sec. 1. As used in this act, "reciprocal agreement" means a  
2 contractual arrangement permitting resident students of a  
3 designated state to be admitted to a public institution of higher  
4 education in another state at an agreed tuition rate less than  
5 normally charged nonresident students of that state. **THE TERM**  
6 **INCLUDES A CONTRACTUAL ARRANGEMENT THAT RENEWS OR EXTENDS AN**

1 **EXISTING RECIPROCAL AGREEMENT.**

2       Sec. 2. The ~~state board of education~~ **DEPARTMENT OF LABOR AND**  
3 **ECONOMIC GROWTH** is the state agency to enter into reciprocal  
4 agreements with public educational agencies in other states.

5       Sec. 3. **(1)** Notwithstanding any provision of law to the  
6 contrary, a reciprocal agreement may include provisions for the  
7 reduction or waiver of nonresident tuition and fees for residents  
8 of the states of Wisconsin, Illinois, Indiana, **AND** Ohio and the  
9 Province of Ontario admitted to designated public institutions of  
10 higher education in this state and for the designation of  
11 categories of students to be admitted to specific educational  
12 programs or courses of study.

13       **(2) A RECIPROCAL AGREEMENT SHALL NOT CONTAIN A PROVISION**  
14 **ESTABLISHING AN INDEFINITE TERM FOR THE AGREEMENT OR ESTABLISHING A**  
15 **FIXED TERM OF MORE THAN 3 YEARS. IF A RECIPROCAL AGREEMENT PROVIDES**  
16 **FOR RENEWAL OR EXTENSION OF THE AGREEMENT, THAT PROVISION SHALL NOT**  
17 **PROVIDE FOR AUTOMATIC RENEWAL OR EXTENSION, ESTABLISH AN INDEFINITE**  
18 **TERM FOR A RENEWAL OR EXTENSION, OR ESTABLISH A FIXED TERM OF MORE**  
19 **THAN 3 YEARS FOR ANY RENEWAL OR EXTENSION. THE TUITION RATE FOR A**  
20 **STUDENT ATTENDING A PUBLIC INSTITUTION OF HIGHER EDUCATION IN THIS**  
21 **STATE UNDER A RECIPROCAL AGREEMENT IS THE RATE FOR IN-STATE, OUT-**  
22 **OF-DISTRICT STUDENTS.**

23       Sec. 4. ~~Reciprocal agreements~~ **A RECIPROCAL AGREEMENT, OR A**  
24 **RENEWAL OR EXTENSION OF A RECIPROCAL AGREEMENT,** entered into by the  
25 ~~state board of education are~~ **DEPARTMENT OF LABOR AND ECONOMIC**  
26 **GROWTH IS** not valid until approved by the appropriations committees  
27 of the house of representatives and the senate.

1       Sec. 5. ~~Reciprocal agreements shall be reviewed annually by~~  
2 ~~the state board~~ **THE DEPARTMENT OF LABOR AND ECONOMIC GROWTH SHALL**  
3 **ANNUALLY REVIEW ALL RECIPROCAL AGREEMENTS** to determine the fiscal  
4 effects and to correct any imbalances if necessary.