# SENATE BILL NO. 1160

September 10, 2026, Introduced by Senators DAMOOSE, CHANG, BELLINO, GEISS, GREENE and BAYER and referred to Committee on Education.

A bill to amend 1979 PA 94, entitled

"The state school aid act of 1979,"

by amending section 248 (MCL 388.1848), as amended by 2026 PA 25.

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

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

(2) As used in this section:

(a) "Cost of attendance" means expenses for a student's

tuition, mandatory fees, and contact hours for the student's actual program of study; books, supplies, and equipment required for courses of instruction; housing and food costs; transportation expenses; federal student loan fees; miscellaneous expenses, including a reasonable amount for the documented cost of a personal computer, allowance for child care, or allowance for other dependent care; costs related to a disability; costs of obtaining a license, certification, or first professional credential; and reasonable costs for study abroad programs.

(b) "Department" means the department of lifelong education, advancement, and potential.

(c) "Eligible institution" means a public university that receives an appropriation in section 236, **an organization as described in subsection (16)(a)**, a community college that receives an appropriation in section 201, a federally recognized tribal college in this state, or an independent nonprofit college or university in this state as described in section 1 of 1966 PA 313, MCL 390.991.

(d) "Gift aid" includes federal Pell grants under 20 USC 1070a, tuition incentive program benefits under section 256, state tuition grants under section 252, awards received for minimum payments awarded in subsection (4), higher education expenses paid under the Michigan promise zone authority act, 2008 PA 549, MCL 390.1661 to 390.1679, and all other federal, state, local, or institutional aid in the form of grants, scholarships, or discounts applied only toward tuition and mandatory fees. Gift aid does not include student loans, work-study awards, qualified withdrawals made from education savings accounts to pay higher education expenses pursuant to the Michigan education savings program act,

2000 PA 161, MCL 390.1471 to 390.1486, or higher education expenses paid under the Michigan education trust program pursuant to the Michigan education trust act, 1986 PA 316, MCL 390.1421 to 390.1442.

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

(f) "Last-dollar payment amount" means 1 of the following:

(*i*) For a student attending a community college or federally recognized tribal college, an amount equal to the student's tuition, mandatory fees, and contact hours for the student's actual program of study, minus all gift aid received by the student.

(*ii*) For a student attending a public university or an independent nonprofit college or university, or for a student enrolled in a baccalaureate degree program described in section 121 of the community college act of 1966, 1966 PA 331, MCL 389.121, an amount equal to the student's individual cost of attendance, minus all gift aid received by the student.

(g) "Minimum payment" means a payment for any eligible cost within the student's individual cost of attendance. The minimum payment must be awarded as a separate payment not included in the student's need-based financial aid. The minimum payment must not be reduced.

(h) "SAI eligible student" means a student who has completed the Free Application for Federal Student Aid and meets at least 1 of the following:

(*i*) Received the Michigan achievement scholarship in academic year 2023-2024, was determined to have an expected family contribution of $25,000.00 or less in academic year 2023-2024, and has completed the Free Application for Federal Student Aid for the

subsequent award cycles.

(*ii*) For awards made during academic year 2024-2025 or a subsequent academic year, has completed the Free Application for Federal Student Aid and has a student aid index number of 30,000 or less. If the federal government replaces the student aid index number with a new metric, the department shall collaborate with the state budget office and the house and senate fiscal agencies to adopt a new eligibility metric equivalent to a student aid number of 30,000 or less.

(3) Subject to subsection (5) **and except as otherwise provided under subsection (16),** an individual must meet all of the following criteria each year to be eligible for a Michigan achievement scholarship awarded under this section:

(a) Maintain residency in this state, as determined for purposes of the Free Application for Federal Student Aid.

(b) Have graduated with a high school diploma or certificate of completion or achieved a high school equivalency certificate in 2023 or after.

(c) Be enrolled in an eligible institution as a full-time undergraduate student, as defined by that eligible institution, for the semester the award is received.

(d) Have enrolled for the first time in an eligible institution during the 2023-2024 academic year, or a subsequent academic year, within 15 months after high school graduation or attainment of a high school equivalency certificate or have received a Michigan achievement scholarship or Michigan achievement skills scholarship in a previous academic year. For the purposes of this subdivision, participation in a dual enrollment, early college, or other similar program while attending high school does

not disqualify a student from being considered a first-time enrollee.

(e) Maintain satisfactory academic progress, as defined by the eligible institution in which the student is enrolled.

(f) Not be in default on a federal student loan.

(g) Apply for all available gift aid for each academic year in which the individual applies for a Michigan achievement scholarship.

(h) For a student who is enrolled at an eligible institution that is a public university or an independent nonprofit college or university, or who is enrolled in a baccalaureate degree program described in section 121 of the community college act of 1966, 1966 PA 331, MCL 389.121, at an eligible institution, be an SAI eligible student.

(4) The amount awarded to an eligible student at an eligible institution must equal 1 of the following, as applicable:

(a) The amount awarded to an eligible student who is enrolled at an eligible institution that is a community college or federally recognized tribal college where the student is eligible for that institution's in-district tuition rate must be equal to the sum of the last-dollar payment amount. The amount awarded to an eligible student who is eligible for a federal Pell grant under 20 USC 1070a must include an additional amount of $1,000.00.

(b) The amount awarded to an eligible student who is enrolled at an eligible institution that is a community college or federally recognized tribal college where the student is not eligible for that institution's in-district tuition rate must be the lesser of the last-dollar payment amount, or the in-district tuition and mandatory fees rate. The amount awarded to an eligible student who

is eligible for a federal Pell grant under 20 USC 1070a must include an additional amount of $1,000.00.

(c) The amount awarded to an eligible student who is enrolled at an eligible institution that is a public university or independent nonprofit university, or is enrolled in a baccalaureate degree program described in section 121 of the community college act of 1966, 1966 PA 331, MCL 389.121, at an eligible institution must equal the sum of following:

(*i*) A minimum payment of $2,500.00.

(*ii*) The lesser of $3,000.00 or the student's last-dollar payment amount.

**(d) The amount awarded to an eligible student who is enrolled at an organization as described in subsection (16)(a) is equal to the student's tuition and mandatory fees for that program, minus all gift aid received by the student.**

**(e)** ~~(d)~~ Money awarded under this subsection for a Michigan achievement scholarship must be paid to the eligible institution for credit to the student's account.

(5) ~~An~~ **Subject to subsection (16) and except as provided under subsection (17), an** eligible student may receive a Michigan achievement scholarship award under this section or section 248a for a maximum of 5 consecutive academic years, starting when the eligible student enrolls at an eligible institution for the first time as described in subsection (3)(d), less any period of eligibility used for a Michigan achievement skills scholarship, and not more than 3 of which may be for attending eligible institutions that are community colleges or federally recognized tribal colleges unless the student is enrolled in a baccalaureate degree program described in section 121 of the community college act of 1966, 1966

PA 331, MCL 389.121. A student may not receive an award under this section and section 248a(3)(f)(*i*) during the same academic term.

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

(7) From the funds appropriated in section 236(7) for the Michigan achievement scholarship, the department may use up to $10,000,000.00 annually for the purposes of outreach programs to raise awareness of the Michigan achievement scholarship and other state grants and financial aid allocated in section 236(7). The department shall ensure that state grants and financial aid are well publicized and that high school students are provided information on the availability of financial aid. The department may receive and expend funds received from outside sources for scholarships, marketing, or other purposes related to the Michigan state grants and financial aid. The department shall provide the necessary funding and staff to fully operate the program.

(8) The department shall convene a workgroup to advise the department on the administration of the Michigan achievement scholarship. The workgroup shall include participation from the Michigan Association of State Universities and its institutional members, the Michigan College Access Network, the Michigan Community College Association and its institutional members, the Michigan Independent Colleges and Universities and its institutional members, and any other interested stakeholders and offices as determined by the department.

(9) The following reporting obligations apply to the Michigan achievement scholarship program:

(a) By February 15 of each year, the department shall provide

a written report, organized by eligible institution, to the standard report recipients that includes the following information for the previous academic year:

(*i*) The number of students who qualified for a Michigan achievement scholarship.

(*ii*) The number of students who received a Michigan achievement scholarship.

(*iii*) The average number of credits earned by students who received a Michigan achievement scholarship.

(*iv*) The number of Michigan achievement scholarships that were canceled due to failure to maintain satisfactory academic progress as described in subsection (3)(e).

(*v*) The number of Michigan achievement scholarships that were canceled due to a student ceasing attendance at an eligible institution. The number must not include any known transfers to another eligible institution.

(*vi*) The number of Michigan achievement scholarships that were canceled due to a student's failure to maintain full-time status.

(*vii*) The average Michigan achievement scholarship award per student.

(*viii*) As applicable, a delineation of each measure described in subparagraphs (*i*) to (*vii*) by sector, including community colleges, tribal colleges, public universities, and independent colleges and universities.

(b) By September 30 of each year, starting with the fiscal year ending September 30, 2027 and in partnership with the center, create and maintain a publicly available online dashboard that includes all of the following student success information for the previous academic year:

(*i*) The number of students who received a Michigan achievement scholarship and completed a degree or credential by an eligible institution.

(*ii*) Type of credentials, including a breakdown of bachelor's and associate degrees, earned by students who received a Michigan achievement scholarship by an eligible institution.

(*iii*) The percentage of students who received a Michigan achievement scholarship and were eligible for federal Pell grants under 20 USC 1070a.

(*iv*) The average completion rate for students who received a Michigan achievement scholarship by an eligible institution as defined by the department.

(*v*) The average persistence rate and credits earned for students who received a Michigan achievement scholarship by an eligible institution as defined by the department.

(*vi*) As applicable, a delineation of each measure described in subparagraphs (*i*) to (*v*) by sector, including community colleges, tribal colleges, public universities, and independent colleges and universities.

(c) Each eligible institution whose students receive awards under this section shall cooperate with the department in a timely manner to facilitate the creation of the report under subdivision (a) and (b).

(10) By April 1 of each year, each eligible institution shall submit a report to the department, the state budget office, and the house and senate fiscal agencies providing information as to the average amount of institutional grant aid awarded to full-time first-time undergraduate students for the immediately preceding 2 institution fiscal years. If the average amount of institutional

grant aid awarded to full-time first-time undergraduate students in the immediately preceding fiscal year is less than the average amount of institutional grant aid awarded to full-time first-time undergraduate students in the year preceding the immediately preceding institutional fiscal year 2024-2025, the institution shall include in the report a description of any changes to the institutional financial aid during the 2 immediately preceding fiscal years. An institution's report of the average amount of institutional grant aid awarded to full-time first-time undergraduate students pursuant to this subsection must be consistent with data most recently reported to the Integrated Postsecondary Education Data System.

(11) For each fiscal year, an eligible institution shall maintain and report its compliance with the following tuition restraint requirements, as applicable:

(a) For an eligible institution that is a community college or a federally recognized tribal college in this state, the tuition restraint described in section 217b.

(b) For an eligible institution that is a public university or independent nonprofit college or university, the tuition restraint described in section 241c. The report of an eligible institution that is an independent nonprofit college or university must include the actual tuition and mandatory fee rates adopted by the institution's governing body for each academic year described in section 241c.

(12) The state budget director shall implement reporting requirements to ensure that an eligible institution has satisfied the tuition restraint requirements of this section. The state budget director has the sole authority to determine if an eligible

institution has met the requirements of this section.

(13) If an eligible institution exceeds the applicable tuition restraint level for 2 consecutive years, the state budget director may consider the institution ineligible for funding under this section in the subsequent academic year.

(14) If an institution is considered ineligible for funding under this section, the state budget director shall reevaluate the status of the ineligible institution annually.

(15) It is the intent of the legislature that an eligible institution will not make reductive changes to institutional grant aid offered by that eligible institution that have the goal or net effect of shifting the cost burden of those programs to the program described in this section.

**(16) Subject to subsection (17), a student who meets the following criteria is eligible to receive a Michigan achievement scholarship award as described in subsection (4)(d):**

**(a) The student is enrolled at an organization that is a community college located in a county with a population between 90,000 and 100,000 according to the most recent decennial census, that partners with universities in this state to provide a program that meets all of the following criteria:**

**(*i*) The program is operated by an organization exempt from federal income tax under section 501(c)(3) of the internal revenue code of 1986, 26 USC 501.**

**(*ii*) The program is a postsecondary transition program for young adults with intellectual and developmental disabilities and autism.**

**(*iii*) The program provides individualized, student-centered programming that blends academic experiences, career exploration,**

**and community-based learning through partnerships with colleges and universities.**

**(*iv*) The program is a noncredentialed affiliate program operated alongside its postsecondary partners, supporting students' participation in campus life, coursework, and college experiences while delivering individualized services.**

**(*v*) The program offers comprehensive support across academics, social integration, employment, and independent living, with residential options where available.**

**(*vi*) The program is focused on building practical job skills, self-advocacy, and independence.**

**(*vii*) The program prepares students for competitive, integrated employment and meaningful community participation, equipping graduates with the skills and confidence to live as independently as possible.**

**(*viii*) The program develops realistic learning objectives and identifies areas of natural talent to be further developed.**

**(*ix*) The curriculum used in the program must focus on transition skills to help students gain independence and job skills.**

**(b) The student meets the criteria described in subsection (3)(a), (e), and (f).**

**(17) A student that receives an award under subsection (16) may receive that award for a maximum of 4 academic years.**