

CHAPTER 390. UNIVERSITIES AND COLLEGES

UNIVERSITY OF MICHIGAN Act 151 of 1851

AN ACT to provide for the government of the state university, and to repeal chapter 57 of the Revised Statutes of 1846.

History: 1851, Act 151, Eff. July 5, 1851.

The People of the State of Michigan enact:

390.1 University of Michigan; continuation.

Sec. 1. That the institution established in this state and known as the university of Michigan, is continued under the name and style heretofore used.

History: 1851, Act 151, Eff. July 5, 1851;—CL 1857, 2183;—CL 1871, 3481;—How. 4905;—CL 1897, 1781;—CL 1915, 1156;—CL 1929, 7764;—CL 1948, 390.1.

Former law: See 2 Terr. Laws, p. 104; 1 Terr. Laws, p. 879; Act 55 of 1837, Ex. Sess.; R.S. 1838, Part First, Title 11, Ch. 2; R.S. 1846, Ch. 57.

390.2 University of Michigan; object.

Sec. 2. The university shall provide the inhabitants of this state with the means of acquiring a thorough knowledge of the various branches of literature, science and arts.

History: 1851, Act 151, Eff. July 5, 1851;—CL 1857, 2184;—CL 1871, 3482;—How. 4906;—CL 1897, 1782;—CL 1915, 1157;—CL 1929, 7765;—CL 1948, 390.2.

390.3 University of Michigan; government, board of regents.

Sec. 3. The government of the university is vested in the board of regents.

History: 1851, Act 151, Eff. July 5, 1851;—CL 1857, 2185;—CL 1871, 3483;—How. 4907;—CL 1897, 1783;—CL 1915, 1158;—CL 1929, 7766;—CL 1948, 390.3.

390.4 Board of regents; body corporate; rights, seal.

Sec. 4. The board of regents shall constitute the body corporate, with the right, as such, of suing and being sued, of making and using a common seal, and altering the same.

History: 1851, Act 151, Eff. July 5, 1851;—CL 1857, 2186;—CL 1871, 3484;—How. 4908;—CL 1897, 1784;—CL 1915, 1159;—CL 1929, 7767;—CL 1948, 390.4.

390.5 Board of regents; powers.

Sec. 5. The regents shall have power to enact ordinances, by-laws and regulations for the government of the university; to elect a president, to fix, increase and reduce the regular number of professors and tutors, and to appoint the same, and to determine the amount of their salaries: Provided, That there shall always be at least 1 professor of homeopathy in the department of medicine.

History: 1851, Act 151, Eff. July 5, 1851;—Am. 1855, Act 100, Eff. May 15, 1855;—CL 1857, 2187;—CL 1871, 3485;—How. 4909;—CL 1897, 1785;—CL 1915, 1160;—CL 1929, 7768;—CL 1948, 390.5.

390.6 Board of regents; power of removal of president, professor or tutor.

Sec. 6. They shall have power to remove the president, and any professor or tutor, when the interest of the university shall require it.

History: 1851, Act 151, Eff. July 5, 1851;—CL 1857, 2188;—CL 1871, 3486;—How. 4910;—CL 1897, 1786;—CL 1915, 1161;—CL 1929, 7769;—CL 1948, 390.6.

390.7 Board of regents; appointive power.

Sec. 7. They shall have power to appoint a secretary, librarian, treasurer, steward, and such other officers as the interests of the institution may require, who shall hold their offices at the pleasure of the board, and receive such compensation as the board may prescribe.

History: 1851, Act 151, Eff. July 5, 1851;—CL 1857, 2189;—CL 1871, 3487;—How. 4911;—CL 1897, 1787;—CL 1915, 1162;—CL 1929, 7770;—CL 1948, 390.7.

390.8 University of Michigan; departments.

Sec. 8. The university shall consist of at least 3 departments:

1. A department of literature, science and the arts;
2. A department of law;
3. A department of medicine;
4. Such other departments may be added as the regents shall deem necessary, and the state of the university fund shall allow.

History: 1851, Act 151, Eff. July 5, 1851;—CL 1857, 2190;—CL 1871, 3488;—How. 4912;—CL 1897, 1788;—CL 1915, 1163;—CL 1929, 7771;—CL 1948, 390.8.

390.9 Provision for special courses.

Sec. 9. The regents shall provide for the arrangement and selection of a course or courses of study in the university, for such students as may not desire to pursue the usual collegiate course, in the department of literature, science and the arts, embracing the ancient languages, and to provide for the admission of such students without previous examination, as to their attainments in said languages, and for granting such certificates at the expiration of such course or term of such students, as may be appropriate to their respective attainments.

History: 1851, Act 151, Eff. July 5, 1851;—CL 1857, 2191;—CL 1871, 3489;—How. 4913;—CL 1897, 1789;—CL 1915, 1164;—CL 1929, 7772;—CL 1948, 390.9.

390.10 Repealed. 1957, Act 87, Eff. Sept. 27, 1957.

Compiler's note: The repealed section provided for keeping set of meteorological tables at University of Michigan.

390.11 Authority of regents; president and faculty; degrees.

Sec. 11. The immediate government of the several departments shall be entrusted to the president and the respective faculties; but the regents shall have power to regulate the course of instruction, and prescribe, under the advice of the professorships, the books and authorities to be used in the several departments; and also to confer such degrees and grant such diplomas as are usually conferred and granted by other similar institutions.

History: 1851, Act 151, Eff. July 5, 1851;—CL 1857, 2193;—CL 1871, 3491;—How. 4915;—CL 1897, 1791;—CL 1915, 1166;—CL 1929, 7774;—CL 1948, 390.11.

Compiler's note: Near the end of this section, “confered” evidently should read “conferred”.

390.12, 390.13 Repealed. 2000, Act 123, Imd. Eff. May 30, 2000.

Compiler's note: The repealed sections pertained to fees and tuition policies.

390.14 Fees and tuition; payment to treasurer; expenditures.

Sec. 14. The moneys received from such source shall be paid to the treasurer, and so much thereof as shall be necessary for the purpose, shall be expended by the regents in keeping the university buildings in good condition and repair, and the balance shall be appropriated for the increase of the library.

History: 1851, Act 151, Eff. July 5, 1851;—CL 1857, 2196;—CL 1871, 3494;—How. 4918;—CL 1897, 1794;—CL 1915, 1169;—CL 1929, 7777;—CL 1948, 390.14.

390.15 Board of regents; annual report to superintendent of public instruction; availability of report to public.

Sec. 15. The board of regents shall make an exhibit of the affairs of the university, in each year, to the superintendent of public instruction, which sets forth the condition of the university, and its branches, the amount of receipts and expenditures, and the number of professors, tutors, and other officers, and the compensation of each officer, the number of students in each department, and in each class, the books of instruction used, an estimate of the expenses for the ensuing year, together with other information and suggestions as the regents consider important, or the superintendent of public instruction requires, to embody in the report. The report shall be made available to the public in compliance with Act No. 442 of the Public Acts of 1976, being sections 15.231 to 15.246 of the Michigan Compiled Laws.

History: 1851, Act 151, Eff. July 5, 1851;—CL 1857, 2197;—Am. 1859, Act 219, Imd. Eff. Feb. 15, 1859;—CL 1871, 3495;—How. 4919;—CL 1897, 1795;—CL. 1915, 1170;—CL 1929, 7778;—CL 1948, 390.15;—Am. 1977, Act 253, Imd. Eff. Dec. 6, 1977.

390.16 Interest on university fund; use for erection of buildings.

Sec. 16. From the increase arising from the interest of the university fund, the board of regents may erect, from time to time, such buildings as are necessary for the uses of the university, on the grounds set apart for the same; but no such buildings shall be erected until provisions shall be made for the payment of the existing indebtedness of the university, nor until 1 branch of the university shall be established in each judicial circuit

of the state.

History: 1851, Act 151, Eff. July 5, 1851;—CL 1857, 2198;—CL 1871, 3496;—How. 4920;—CL 1897, 1796;—CL 1915, 1171;—CL 1929, 7779;—CL 1948, 390.16.

390.17 Interest on university fund; use for improvement of grounds and purchase of apparatus.

Sec. 17. The board of regents shall have power to expend so much of the interest arising from the university fund, as may be necessary for the improving and ornamenting the university grounds, for the purchase of philosophical, chemical, meteorological, and other apparatus and to keep the same in good condition.

History: 1851, Act 151, Eff. July 5, 1851;—CL 1857, 2199;—CL 1871, 3497;—How. 4921;—CL 1897, 1797;—CL 1915, 1172;—CL 1929, 7780;—CL 1948, 390.17.

390.18 Branches of university; limitations; support.

Sec. 18. As soon as the income of the university interest fund will admit, it shall be the duty of the board of regents to organize and establish branches of the university, 1 at least, in each judicial circuit or district of the state, and to establish all needful rules and regulations for the government of the same. They shall not give to any such branch the right of conferring degrees, nor appropriate a sum exceeding 1,500 dollars, in any 1 year, for the support of any such branch.

History: 1851, Act 151, Eff. July 5, 1851;—CL 1857, 2200;—CL 1871, 3498;—How. 4922;—CL 1897, 1798;—CL 1915, 1173;—CL 1929, 7781;—CL 1948, 390.18.

Compiler's note: In the last sentence, “conferring” evidently should read “conferring.”

390.19 Branches of university; establishment.

Sec. 19. The regents may establish and organize a branch or branches, by the creation of a trusteeship for the local management of the same, or they may in their discretion select for a branch, under the restrictions aforesaid, any chartered literary institution in the state.

History: 1851, Act 151, Eff. July 5, 1851;—CL 1857, 2201;—CL 1871, 3499;—How. 4923;—CL 1897, 1799;—CL 1915, 1174;—CL 1929, 7782;—CL 1948, 390.19.

390.20 Board of regents; meetings; notice; conducting business; quorum; adjournment.

Sec. 20. The meetings of the board shall be called in the manner the regents prescribe which gives public notice of the time, date, and place of the meetings in the manner required by Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. The business which the board may perform shall be conducted in compliance with Act No. 267 of the Public Acts of 1976. Five regents shall constitute a quorum for the transaction of business, and a smaller number may adjourn from time to time.

History: 1851, Act 151, Eff. July 5, 1851;—CL 1857, 2202;—CL 1871, 3500;—How. 4924;—CL 1897, 1800;—CL 1915, 1175;—CL 1929, 7783;—CL 1948, 390.20;—Am. 1977, Act 253, Imd. Eff. Dec. 6, 1977.

390.21 Repealed. 1957, Act 87, Eff. Sept. 27, 1957.

Compiler's note: The repealed section provided for board of visitors and made it duty of such board to examine condition of University of Michigan and report result to superintendent.

390.22 Board of regents and visitors; expenses, reimbursement from university fund interest.

Sec. 22. The regents and visitors of the university shall each receive pay for the actual and necessary expenses incurred by them in the performance of their duties, which shall be paid out of the university interest fund.

History: 1851, Act 151, Eff. July 5, 1851;—CL 1857, 2204;—CL 1871, 3502;—How. 4926;—CL 1897, 1802;—CL 1915, 1177;—CL 1929, 7785;—CL 1948, 390.22.

390.23 Required signatures for orders on treasurer.

Sec. 23. All orders on the treasurer shall be signed by the secretary, and countersigned by the president.

History: 1851, Act 151, Eff. July 5, 1851;—CL 1857, 2205;—CL 1871, 3503;—How. 4927;—CL 1897, 1803;—CL 1915, 1178;—CL 1929, 7786;—CL 1948, 390.23.

INSTITUTE OF GERONTOLOGY
Act 245 of 1965

AN ACT to establish an institute of gerontology; to prescribe its functions; and to make an appropriation for its operation.

History: 1965, Act 245, Imd. Eff. July 21, 1965.

The People of the State of Michigan enact:

390.31 Institute of gerontology; establishment, authorization; purpose.

Sec. 1. There may be established by the university of Michigan and Wayne state university jointly, an institute of gerontology for the purpose of developing new and improved programs for helping older people in this state, for the training of persons skilled in working with the problems of the aged, for research related to the needs of our aging population, and for conducting community service programs in the field of aging.

History: 1965, Act 245, Imd. Eff. July 21, 1965.

390.32 Institute of gerontology; duties and functions.

Sec. 2. The institute shall:

(1) In the field of training,

(a) Stimulate and contribute to training in gerontology in the various schools and departments of the universities.

(b) Offer specialized interdisciplinary training in gerontology at the graduate and postgraduate levels for those entering or already working in the field.

(2) In the fields of research and publications,

(a) Encourage, foster and conduct research in all important areas of gerontology.

(b) Provide research support for university instructional staff and other investigators in gerontology.

(3) In the field of community service, organize and promote programs of community education and services in the field of aging, and shall conduct courses and educational activities designed to serve those working with our older citizens.

History: 1965, Act 245, Imd. Eff. July 21, 1965.

390.33 Institute of gerontology; establishment; rules and regulations.

Sec. 3. The institute shall be established by, and governed in accordance with the rules and regulations of the board of governors of Wayne state university and the board of regents of the university of Michigan.

History: 1965, Act 245, Imd. Eff. July 21, 1965.

UNIVERSITY OF MICHIGAN; HOMEOPATHIC MEDICAL DEPARTMENT
Act 128 of 1875

AN ACT for the establishment of a homeopathic medical department of the university of Michigan.

History: 1875, Act 128, Eff. Aug. 3, 1875.

The People of the State of Michigan enact:

390.41 Homeopathic medical department; establishment, authority of board of regents.

Sec. 1. The board of regents of the university of Michigan are hereby authorized to establish a homeopathic medical college as a branch or department of said university, which shall be located at the city of Ann Arbor.

History: 1875, Act 128, Eff. Aug. 3, 1875;—How. 4932;—Am. 1895, Act 257, Imd. Eff. June 3, 1895;—CL 1929, 7788;—CL 1948, 390.41.

Compiler's note: The 1895 amendment to this section, providing for the removal of the department to Detroit, was declared unconstitutional in *Sterling v. Regents*, 110 Mich. 369, 68 N.W. 253. Hence, this section is set out above as it appeared prior to the 1895 amendment.

Former law: See Act 63 of 1873, being How., § 4930, and CL 1929, § 7790.

REGENTS OF UNIVERSITY; HOLDING OF PROPERTY
Act 36 of 1895

AN ACT to enable the regents of the university to take and hold in perpetual trust land or other property.

History: 1895, Act 36, Eff. Aug. 30, 1895.

The People of the State of Michigan enact:

390.51 Board of regents; holding property in trust.

Sec. 1. That it shall be competent for the regents of the university to take, by gift, devise or bequest, and hold in perpetuity any land or other property in trust for any purpose not inconsistent with the objects and purposes of the university.

History: 1895, Act 36, Eff. Aug. 30, 1895;—CL 1897, 1809;—CL 1915, 1186;—CL 1929, 7795;—CL 1948, 390.51.

REGENTS OF UNIVERSITY; INVESTMENTS
Act 86 of 1899

AN ACT to enable the regents of the university of Michigan to receive any money or other property for the ultimate use of the university and to invest the same in the best manner possible subject to the payment of the net income or any portion thereof derived therefrom to any specified person or persons then living, during the life or lives of such person or persons.

History: 1899, Act 86, Imd. Eff. May 26, 1899.

The People of the State of Michigan enact:

390.61 Board of regents; receipt and investment of donations, life incomes.

Sec. 1. That the regents of the university of Michigan are authorized to enter into agreements to receive, and to receive from any one and in any manner, money or other property for the ultimate use of the university, to invest the same in the best manner possible, and to pay the net income derived therefrom, or any portion of the same, to any person or persons living at the time such money or property is received, during the life or lives of such person or persons. Said regents at the time of receiving such money or property may enter into agreements that all or part of such net income may be paid to the person or persons designated during such life or lives. Donations of money or property received under the provisions specified by this act shall not be subject to the provisions of Act No. 140 of the Public Acts of 1895, unless so agreed by the donors and the regents of the university.

History: 1899, Act 86, Imd. Eff. May 26, 1899;—CL 1915, 1187;—CL 1929, 7796;—CL 1948, 390.61.

Compiler's note: Act 140 of 1895, referred to in this section, was repealed by Act 45 of 1937.

UNIVERSITY HOSPITALS
Act 203 of 1897

390.71,390.72 Repealed. 1957, Act 157, Eff. Sept. 27, 1957.

ANALYSIS OF WATER
Act 43 of 1897

390.81-390.83 Repealed. 2000, Act 115, Imd. Eff. May 26, 2000.

MICHIGAN CHILD GUIDANCE INSTITUTE
Act 36 of 1943

390.91-390.93 Repealed. 1980, Act 180, Imd. Eff. July 2, 1980.

MICHIGAN STATE UNIVERSITY
Act 269 of 1909

AN ACT to revise the laws relating to Michigan state university; and to prescribe the powers and duties of the board of trustees of Michigan state university.

History: 1909, Act 269, Eff. Sept. 1, 1909;—Am. 1955, Act 37, Eff. July 1, 1955;—Am. 1963, 2nd Ex. Sess., Act 50, Eff. Jan. 1, 1964.

The People of the State of Michigan enact:

390.101 Michigan state university; name, purpose.

Sec. 1. The state educational institution at East Lansing shall hereafter be known by the name of "Michigan state university". Michigan state university shall provide the inhabitants of this state with the means of acquiring a thorough knowledge of agriculture and all its allied branches, of mechanic arts, of domestic art, of domestic science, of military tactics and of military engineering, and to this end it shall afford such instruction in science, art and literature as, in the judgment of its governing body, will promote the object of the institution. Wherever reference is made in any law to "Michigan agricultural college" or "Michigan state college of agriculture and applied science", or "Michigan state university of agriculture and applied science", such reference shall be construed to mean "Michigan state university".

History: 1909, Act 269, Eff. Sept. 1, 1909;—CL 1915, 1233;—Am. 1925, Act 153, Eff. May 13, 1925;—CL 1929, 7855;—CL 1948, 390.101;—Am. 1955, Act 37, Eff. July 1, 1955;—Am. 1963, 2nd Ex. Sess., Act 50, Eff. Jan. 1, 1964.

390.102 Michigan state university; government by board of trustees.

Sec. 2. The government of Michigan state university is vested in the board of trustees of Michigan state university. The president of the university shall be ex officio a member of the board without the right to vote and shall preside at meetings of the board. Any reference in this law to "state board of agriculture" shall be construed to mean board of trustees of Michigan state university.

History: 1909, Act 269, Eff. Sept. 1, 1909;—CL 1915, 1234;—CL 1929, 7856;—CL 1948, 390.102;—Am. 1963, 2nd Ex. Sess., Act 50, Eff. Jan. 1, 1964.

390.103 Board of trustees; compensation, expenses.

Sec. 3. The members of the board of trustees shall serve without compensation, but shall receive the actual and necessary expenses incurred by them in the performance of the duties of their office.

History: 1909, Act 269, Eff. Sept. 1, 1909;—CL 1915, 1235;—CL 1929, 7857;—CL 1948, 390.103;—Am. 1963, 2nd Ex. Sess., Act 50, Eff. Jan. 1, 1964.

390.104 Board of trustees; meetings; quorum; adjournment; conducting business; notice of meeting.

Sec. 4. The board shall meet quarterly at stated times at Michigan state university and may meet at other times and places as the board determines. Five members shall constitute a quorum for the transaction of business, but a smaller number may adjourn from time to time. The business which the board may perform shall be conducted in compliance with Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Public notice of the time, date, and place of the meeting shall be given in the manner required by Act No. 267 of the Public Acts of 1976.

History: 1909, Act 269, Eff. Sept. 1, 1909;—CL 1915, 1236;—CL 1929, 7858;—CL 1948, 390.104;—Am. 1963, 2nd Ex. Sess., Act 50, Eff. Jan. 1, 1964;—Am. 1977, Act 251, Imd. Eff. Dec. 6, 1977.

390.105 Board of trustees; organization.

Sec. 5. At its first meeting the board shall elect a secretary and a treasurer, each of whom shall give bonds satisfactory to the board to secure the faithful performance of the duties of his office. The board may elect such other officers as it deems advisable. Officers shall hold office at the pleasure of the board. No member of the board shall be eligible to election as secretary or treasurer.

History: 1909, Act 269, Eff. Sept. 1, 1909;—CL 1915, 1237;—CL 1929, 7859;—CL 1948, 390.105;—Am. 1963, 2nd Ex. Sess., Act 50, Eff. Jan. 1, 1964.

390.106 State board of agriculture; successor of prior board; supervisory powers; control of property; rules.

Sec. 6. The state board of agriculture created by the present constitution is the successor of the state board of agriculture created by Act No. 188 of the Public Acts of 1861, and the title to all property held in trust, or

otherwise, by said state board of agriculture created by said Act No. 188 of the Public Acts of 1861, shall, when this act takes effect, vest in the state board of agriculture created by the present constitution. The state board of agriculture shall have the general control and supervision of the Michigan agricultural college, the farm pertaining thereto and lands or other property, which now or hereafter may belong to said college; of all appropriations made by the state or by congress for the support of said college, or for the support of the experiment station or any sub-station, or for any other purpose for which said college is created; and also the management of all lands that may hereafter be donated by the national government to this state in trust for the promotion of agricultural and industrial pursuits. The state board of agriculture may receive, hold and manage any property granted or devised to it or to the Michigan agricultural college to promote any of the objects for which said college is created. The board shall have plenary power to adopt such ordinances, by-laws and regulations not in conflict with this act as it may deem necessary to secure the successful operation of the college and to promote its designed objects.

History: 1909, Act 269, Eff. Sept. 1, 1909;—CL 1915, 1238;—CL 1929, 7860;—CL 1948, 390.106.

390.107 State board of agriculture; power to fix salaries and remove professors and employees.

Sec. 7. The board shall fix the salary of the president, professors and other employes, and shall prescribe their respective duties; and it may remove any of these when the interests of the college shall require it.

History: 1909, Act 269, Eff. Sept. 1, 1909;—CL 1915, 1239;—CL 1929, 7861;—CL 1948, 390.107.

390.108 State board of agriculture; courses of instruction; degrees and certificates.

Sec. 8. The board shall have power to establish and regulate the courses of instruction and prescribe, with the advice of the faculty, the books to be used in the institution; and to confer such degrees and grant such diplomas and certificates as are usually conferred and granted by other institutions for similar attainments.

History: 1909, Act 269, Eff. Sept. 1, 1909;—CL 1915, 1240;—CL 1929, 7862;—CL 1948, 390.108.

390.109 State board of agriculture; disposition of moneys.

Sec. 9. The board shall direct the disposition of any moneys appropriated by the legislature or by congress for the agricultural college, for any experiment stations in connection therewith; and of any moneys otherwise received for the above purposes.

History: 1909, Act 269, Eff. Sept. 1, 1909;—CL 1915, 1241;—CL 1929, 7863;—CL 1948, 390.109.

390.110 State board of agriculture; experiment station.

Sec. 10. The board shall continue to apply the funds received from the United States government for an agricultural experiment station, referred to in Act No. 46 of the Public Acts of 1889, to the purposes for which said experiment station was established and in accordance with the acts of congress making appropriations therefor; and it shall apply all other funds received from the same source in accordance with the terms under which they were appropriated.

History: 1909, Act 269, Eff. Sept. 1, 1909;—CL 1915, 1242;—CL 1929, 7864;—CL 1948, 390.110.

Compiler's note: For provisions of Act 46 of 1889, referred to in this section, see MCL 390.231 et seq.

390.111 State board of agriculture; vesting of certain swamp lands.

Sec. 11. All swamp lands in the townships of Lansing and Meridian, in the county of Ingham, and in the townships of DeWitt and Bath, in the county of Clinton, hitherto granted and vested in the state board of agriculture, for the exclusive use and benefit of the Michigan agricultural college, shall, so far as they remain unsold, continue to vest in said board for the purpose above mentioned.

History: 1909, Act 269, Eff. Sept. 1, 1909;—CL 1915, 1243;—CL 1929, 7865;—CL 1948, 390.111.

390.112 State board of agriculture; sale of swamp lands, terms, deeds.

Sec. 12. The state board of agriculture shall have authority to sell and dispose of any portion of the swamp lands mentioned in the preceding section of this act, and use the same or the proceeds thereof for the purpose of draining, fencing or in any manner improving other portions of said land, or for the promotion of the purposes of the Michigan agricultural college. The terms and conditions of the sale of the portions of the above described lands thus disposed of, shall be prescribed by the state board of agriculture, and the deeds of the same, executed and acknowledged in their official capacity by the chairman and secretary of the state board of agriculture, shall be good and valid by law.

History: 1909, Act 269, Eff. Sept. 1, 1909;—CL 1915, 1244;—CL 1929, 7866;—CL 1948, 390.112.

390.113 Repealed. 2000, Act 103, Imd. Eff. May 19, 2000.

Compiler's note: The repealed section pertained to duties of president, professors, and associate professors.

390.114 Repealed. 2000, Act 104, Imd. Eff. May 19, 2000.

Compiler's note: The repealed section pertained to duty of faculty to pass rules and regulations necessary to government and discipline of college.

390.115 Repealed. 2000, Act 105, Imd. Eff. May 19, 2000.

Compiler's note: The repealed section pertained to duty of faculty relating to control of laboratories, library, and museums.

390.116 Subordinate officers under direction of president.

Sec. 16. The subordinate officers and employes, not members of the faculty, shall be under the direction of the president, and in the recess of the board, removable at his discretion, and he may fill vacancies that may be thus or otherwise created; his action in these respects shall be submitted to the approval of the state board of agriculture at its next meeting.

History: 1909, Act 269, Eff. Sept. 1, 1909;—CL 1915, 1248;—CL 1929, 7870;—CL 1948, 390.116.

390.117 State board of agriculture; extension and experimental work, statistical reports.

Sec. 17. The board shall have power to carry on, through the faculty and officers of the college, such college extension work, such experimental work, both at the college and elsewhere throughout the state, including the publication of bulletins, and extend such educational assistance to the farmers and artisans of the state, as, in its judgment, may be for the best interests of the people at large. The board may, in its discretion, gather and publish information in regard to the resources of the state, the character of the soil in various parts, the character and quantity of crops raised, the domestic animals, the manufactures and any other statistical matter relating to Michigan.

History: 1909, Act 269, Eff. Sept. 1, 1909;—CL 1915, 1249;—CL 1929, 7871;—CL 1948, 390.117.

390.118 State board of agriculture; payment of expenses of employee attendance at meetings and tours of inspection.

Sec. 18. The board shall have power to expend the funds appropriated for the support of the college in paying the expenses of the president, secretary, professors, or other employes of the college, in attending meetings at which, in their judgment, it is desirable that the college should be represented; in inspecting the buildings, equipment, and work of other institutions; and also in accompanying students on tours of inspection to such objects of interest as are germane to their work in college.

History: 1909, Act 269, Eff. Sept. 1, 1909;—CL 1915, 1250;—CL 1929, 7872;—CL 1948, 390.118.

390.119 State board of agriculture; secretary; office; record of transactions; inspection of record; custody of property; access by public to items in custody of secretary.

Sec. 19. The secretary shall have an office at Michigan state university. The secretary shall keep a record of the transactions of the board of trustees, of Michigan state university, and the experiment station, which record shall be open at all times for the inspection of a citizen of the state. The secretary shall have the custody of the books, papers, documents, records, and other property which may be deposited in the secretary's office. Access by the public to the items in the custody of the secretary pursuant to this section shall be in compliance with Act No. 442 of the Public Acts of 1976, being sections 15.231 to 15.246 of the Michigan Compiled Laws.

History: 1909, Act 269, Eff. Sept. 1, 1909;—CL 1915, 1251;—CL 1929, 7873;—Am. 1933, Act 115, Eff. Oct. 17, 1933;—CL 1948, 390.119;—Am. 1977, Act 251, Imd. Eff. Dec. 6, 1977.

390.120 Business manager of Michigan state university; appointment, powers, and duties.

Sec. 20. The president, subject to the direction of the board of trustees, shall appoint a business manager of Michigan state university who shall have the general charge, under the direction of the president and the board of trustees, of the financial affairs of the institution, and of any other financial matter with the administration of which the board of trustees may be charged. Money due to the institution or received in its behalf shall be collected and received by the business manager and shall be deposited with the treasurer of the board of trustees. The funds deposited shall be subject to warrants signed by the president of the university and the business manager or their authorized agents. The business manager shall render monthly a full and complete account of money received and the warrants drawn on the treasurer, as the business manager of the university, and shall file and preserve vouchers, receipts, correspondence, or other papers relating to the warrants. The business manager shall keep in the business manager's office a complete record of the financial

transactions, in a manner which may be approved by the board and the state treasurer, and which shall be made available to the public in compliance with the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246. At the close of each fiscal year, the business manager shall make a full and detailed report of the financial affairs of the institution, together with statistical matter as may be of interest.

History: 1909, Act 269, Eff. Sept. 1, 1909;—CL 1915, 1252;—CL 1929, 7874;—Am. 1933, Act 115, Eff. Oct. 17, 1933;—CL 1948, 390.120;—Am. 1977, Act 251, Imd. Eff. Dec. 6, 1977;—Am. 2002, Act 167, Imd. Eff. Apr. 23, 2002.

390.121 State board of agriculture and Michigan state college; secretary, salary.

Sec. 21. The secretary shall receive as compensation for his services as secretary of the state board of agriculture, such salary as the legislature shall determine, to be paid monthly from the state treasury, in the same manner as is provided by law for the payment of salaries of state officers, and as secretary of the Michigan state college of agriculture and applied science, and of the experiment station, such salary as the state board of agriculture shall determine, to be paid from the college and experiment station funds.

History: 1909, Act 269, Eff. Sept. 1, 1909;—CL 1915, 1253;—CL 1929, 7875;—Am. 1933, Act 110, Imd. Eff. June 10, 1933;—CL 1948, 390.121.

390.122 Department and division heads; annual report; publication; availability of report to public.

Sec. 22. The head of each department of the university and of each division of the experiment station shall make a written and detailed annual report of the work in the hands of those persons to the president of the university, which report shall be published in the annual report of the secretary of the board of trustees, which shall be available to the public in compliance with Act No. 442 of the Public Acts of 1976.

History: 1909, Act 269, Eff. Sept. 1, 1909;—CL 1915, 1254;—CL 1929, 7876;—CL 1948, 390.122;—Am. 1977, Act 251, Imd. Eff. Dec. 6, 1977.

390.123 Students; qualifications, tuition.

Sec. 23. The state board of agriculture shall have power to determine and establish the qualifications of students for admission to the college, and all students having a lawful residence in this state and meeting the established requirements for admission, shall have the privileges of the institution without the payment of tuition, but the board may require tuition of students from other states and countries and fix the amount thereof.

History: 1909, Act 269, Eff. Sept. 1, 1909;—CL 1915, 1255;—CL 1929, 7877;—CL 1948, 390.123.

OAKLAND UNIVERSITY
Act 35 of 1970

AN ACT to establish an institution of higher education having authority to grant baccalaureate degrees, known as Oakland university; to provide for the board of control, the organization of such board and the vesting of assets in such board; and granting and confirming the powers of such board.

History: 1970, Act 35, Imd. Eff. July 1, 1970.

The People of the State of Michigan enact:

390.151 Oakland university; establishment, location; board of control.

Sec. 1. There is established a state institution of higher education having authority to grant baccalaureate degrees, known as Oakland university to be located in Oakland county. The institution shall be maintained by the state and its facilities shall be made available equally and upon the same basis to all qualified residents of this state. The institution shall be governed by a board of control which shall be a body corporate. The board of control shall have general supervision of the institution and the control and direction of all expenditures from the institution's funds. Until changed by resolution of the board, the body corporate shall be known as the "board of control of Oakland university", hereinafter referred to as "the board" with the right of suing and being sued, adopting a seal and altering the same.

History: 1970, Act 35, Imd. Eff. July 1, 1970.

390.152 Board of control; members, terms.

Sec. 2. The board shall consist of 8 members who shall hold office for terms of 8 years and who shall be appointed by the governor by and with the advice and consent of the senate, except of the members first appointed 2 shall serve for 2 years, 2 for 4 years, 2 for 6 years and 2 for 8 years. The president of the institution shall be ex officio a member of the board without the right to vote.

History: 1970, Act 35, Imd. Eff. July 1, 1970.

390.153 Board of control; officers; treasurer, bond; limitations.

Sec. 3. The board shall elect from its membership a chairman and such other officers as it deems necessary. Officers shall serve terms of 1 year and until their successors shall have been elected and qualified. The board shall also appoint a president, a secretary, a treasurer and other such officers as it deems necessary. Before permitting the treasurer to enter upon the duties of his office, the board shall require him to file his bond to the people of this state with such sureties and in such sum not less than the amount of money likely to be in his possession as the board may designate. No officer shall have the power to incur obligations or to dispose of the board's property or funds, except in pursuance of a vote of the board.

History: 1970, Act 35, Imd. Eff. July 1, 1970.

390.154 Board of control; quorum; conducting business; notice of meeting; powers and duties of board; assumption and payment of liabilities; constitutional powers; other powers not excluded.

Sec. 4. (1) A majority of the members of the board shall form a quorum for the transaction of business. The business which the board may perform shall be conducted in compliance with Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Public notice of the time, date, and place of the meeting shall be given in the manner required by Act No. 267 of the Public Acts of 1976.

(2) The board by majority vote of the membership may enact and amend rules and bylaws for the conduct of the board's business and for the government of the institution; fix tuition and other fees and charges; appoint and remove personnel as the interests of the institution, the mandates of due process, and the policy of the institution on academic tenure may require; determine the compensation to be paid for services and materials; confer degrees and grant diplomas as are usually conferred or granted by other similar institutions; offer technical, vocational, and occupational programs of less than 4 years collegiate degree level; receive, hold, and manage a gift, grant, bequest, or devise of funds or property, real or personal, absolutely or in trust, to promote the purposes of the college; enter into agreements, not inconsistent with this act, as may be desirable in the conduct of the board's affairs; and in behalf of the state, lease or dispose of property which comes into the board's possession, if the board does not violate a condition or trust to which the property may be subject. The board shall assume and agree to pay all liabilities incurred by the board of trustees of Michigan state university before July 1, 1970, for and on behalf of Oakland university. This act shall be construed as implementing, clarifying, and confirming in the board the constitutional powers customarily

exercised by the board of control of an institution of higher education established by law having authority to grant baccalaureate degrees. Enumeration of powers in this act shall not be considered to exclude powers not expressly excluded by law.

History: 1970, Act 35, Imd. Eff. July 1, 1970;—Am. 1977, Act 249, Imd. Eff. Dec. 6, 1977.

390.155 Transfer of assets and facilities to Oakland university.

Sec. 5. The present assets and facilities of the Oakland branch of Michigan state university constitute the properties of Oakland university and upon the effective date of this act, transfer of the properties shall be made to Oakland university.

History: 1970, Act 35, Imd. Eff. July 1, 1970.

390.156 Board of control; borrowing power; acquisition of property.

Sec. 6. The board shall not borrow money on its general faith and credit, nor create any liens upon its property except as herein provided. The board may acquire land or acquire or erect buildings or alter, equip or maintain them, to be used as residence halls, apartments, dining facilities, student centers, health centers, parking structures, stadiums, athletic fields, gymnasiums, auditoriums and other educational facilities. After the legislature by concurrent resolution has approved the acquisition or construction of such facilities, the board may borrow money issuing notes or bonds under such terms and provisions as it deems best to finance or refinance such facilities, the necessary site or sites therefor, and including, but not limited to, capitalized interest and a debt service reserve in connection with such notes or bonds, and shall obligate itself for the repayment thereof, together with interest thereon, solely out of (a) income and revenues from such facilities, or other such facilities heretofore or hereafter acquired, (b) special fees and charges required to be paid by the students deemed by it to be benefited thereby, (c) funds to be received as gifts, grants or otherwise from the state or federal government or any agency thereof or any public or private donor, if, prior to issuance of such notes or bonds, the state, federal government or agency thereof or other donor has contracted to pay to the board or to the holder of such notes or bonds definite amounts of money as determined by formula or otherwise, (d) the proceeds of or delivery of any notes or bonds issued hereunder, and (e) any combination of (a), (b), (c), and (d).

History: 1970, Act 35, Imd. Eff. July 1, 1970.

390.157 Bonds, notes or other obligations; purchase by state prohibited.

Sec. 7. Bonds, notes or other obligations issued under the provisions of this act shall not be purchased by the state of Michigan.

History: 1970, Act 35, Imd. Eff. July 1, 1970.

390.158 Board of control; ordinances, adoption, amendment or repeal; violation, penalty.

Sec. 8. The board may adopt, amend and repeal such ordinances, not inconsistent with this act, as it may deem necessary and in the interest of the health, safety, and welfare of persons using the property and facilities of Oakland university. Such ordinances shall be adopted by affirmative vote of the majority of the board, to be effective upon the date of publication of the ordinance. The violation of any such ordinance shall be a misdemeanor punishable by a fine of not more than \$100.00 or imprisonment for not more than 90 days or both.

History: 1970, Act 35, Imd. Eff. July 1, 1970.

390.159 Effective date of act.

Sec. 9. This act shall become effective July 1, 1970.

History: 1970, Act 35, Imd. Eff. July 1, 1970.

**BANKHEAD-JONES ACT
Act 27 of 1937**

390.161 Repealed. 1980, Act 180, Imd. Eff. July 2, 1980.

**MILITARY COURSES IN AGRICULTURAL COLLEGE
Act 211 of 1863**

390.171-390.173 Repealed. 2000, Act 338, Imd. Eff. Dec. 21, 2000.

DEPARTMENT OF VETERINARY SCIENCE
Act 97 of 1907

AN ACT to provide for the establishment of a department of veterinary science at the Michigan agricultural college.

History: 1907, Act 97, Eff. Sept. 28, 1907.

The People of the State of Michigan enact:

390.201 Department of veterinary science; establishment.

Sec. 1. The state board of agriculture is hereby authorized and empowered to establish a department at the Michigan agricultural college, to be known as the department of veterinary science.

History: 1907, Act 97, Eff. Sept. 28, 1907;—CL 1915, 1277;—CL 1929, 7882;—CL 1948, 390.201.

390.202 Department of veterinary science; classrooms, staff, course of study, degrees.

Sec. 2. The said state board of agriculture may provide suitable accommodations for class and demonstrating rooms; may appoint such professors of veterinary science and such tutors, demonstrators and other instructors as may from time to time be necessary; may furnish all necessary apparatus and appliances for the study of veterinary science; may prescribe and regulate the course of study; may make such rules and regulations as may be necessary, and may grant to each student satisfactorily completing the prescribed course of study a diploma and confer upon each such student the degree of "Doctor of Veterinary Science."

History: 1907, Act 97, Eff. Sept. 28, 1907;—CL 1915, 1278;—CL 1929, 7883;—CL 1948, 390.202.

AID TO MICHIGAN AGRICULTURAL COLLEGE
Act 232 of 1901

AN ACT to extend aid to the Michigan state college of agriculture and applied science.

History: 1901, Act 232, Eff. Sept. 5, 1901;—Am. 1927, Act 386, Imd. Eff. June 2, 1927.

The People of the State of Michigan enact:

390.222 Agricultural college interest fund; use; excess; maintenance of certain departments.

Sec. 2. Any amount standing to the credit of the college in the agricultural college interest fund, June 30, 1901, may, in the discretion of the Michigan state board of agriculture, be used for building or other extraordinary expenses, and any amount raised by this act in excess of the amount needed for current expenses during any fiscal year may be used for building and other extraordinary purposes in the discretion of the said board: Provided, That no building or other extraordinary outlay shall be commenced until the accumulation under this act is sufficient to complete the building or other extraordinary undertaking: Provided further, That the Michigan state board of agriculture shall maintain at all times a sufficient corps of instructors in all the courses of study of the agricultural college as at present constituted, so as to afford proper means and facilities for instruction and graduation in each of the courses of study of the said agricultural college, the same being known as the agricultural department, the mechanical department and the woman's department; shall support and maintain the upper peninsula experiment station, and such other experiment stations as have been established, including the printing and binding of all bulletins as at present provided by law, and shall make a fair and equitable division of the funds provided by this act in accord with the wants and needs of said courses of study and said experiment stations as they shall become apparent. Should the state board of agriculture fail at any time to maintain any of said departments as herein provided, the terms of this act shall be suspended until further action by the legislature.

History: 1901, Act 232, Eff. Sept. 5, 1901;—CL 1915, 1258;—CL 1929, 7885;—CL 1948, 390.222.

390.223 Agriculture and related sciences; institutes, reading courses and lectures; establishment.

Sec. 3. The state board of agriculture is hereby authorized to hold institutes and to establish and maintain courses of reading and lectures for instruction in the various branches of agriculture, mechanic arts, domestic economy, and the related sciences, which courses of reading, instruction and lectures shall be conducted, governed and controlled by Act No. 137 of the Public Acts of 1899 providing for the same: Provided, That the number of one-day institutes shall be determined by said state board of agriculture.

History: 1901, Act 232, Eff. Sept. 5, 1901;—CL 1915, 1259;—CL 1929, 7886;—Am. 1933, Act 19, Imd. Eff. Feb. 28, 1933;—CL 1948, 390.223.

Compiler's note: Act 137 of 1899, referred to in this section, was repealed by Act 85 of 1957.

390.224 Appropriation; disbursement.

Sec. 4. The appropriation made by the provisions of this act shall be paid out of the general fund in the state treasury to the treasurer of the board of trustees of Michigan state university at the times and in the amounts as the general accounting laws of the state prescribe, and the disbursing officer shall render his or her accounts to the state treasurer.

History: 1901, Act 232, Eff. Sept. 5, 1901;—CL 1915, 1260;—CL 1929, 7887;—CL 1948, 390.224;—Am. 2002, Act 170, Imd. Eff. Apr. 23, 2002.

390.225 Repealed. 2002, Act 170, Imd. Eff. Apr. 23, 2002.

Compiler's note: The repealed section pertained to expenditure of surplus.

AGRICULTURAL EXPERIMENT STATIONS
Act 46 of 1889

AN ACT giving the assent of the legislature of the state of Michigan to the grant of moneys from the United States by act of congress approved March second, 1887, being an act to establish agricultural experiment stations in connection with the colleges established in the several states under the provisions of an act of congress approved July second, 1862, and acts supplementary thereto.

History: 1889, Act 46, Imd. Eff. Apr. 12, 1889.

The People of the State of Michigan enact:

390.231 Agricultural experiment stations; establishment, legislative assent.

Sec. 1. That the legislative assent required by section 9, of act of congress approved March second, 1887, being an act entitled "An act to establish agricultural experiment stations in connection with the colleges established in the several states, under the provisions of an act approved July second, 1862, and acts supplementary thereto," is hereby given, and the moneys thereby given are accepted under the conditions and terms in said act named.

History: 1889, Act 46, Imd. Eff. Apr. 12, 1889;—How. 5012d;—CL 1897, 1871;—CL 1915, 1266;—CL 1929, 7890;—CL 1948, 390.231.

390.232 Agricultural experiment stations; use of moneys.

Sec. 2. That the moneys derived by authority of said act shall be exclusively used in support of the department designated as "an agricultural experiment station" in connection with the state agricultural college of Michigan.

History: 1889, Act 46, Imd. Eff. Apr. 12, 1889;—How. 5012e;—CL 1897, 1872;—CL 1915, 1267;—CL 1929, 7891;—CL 1948, 390.232.

AGRICULTURAL EXPERIMENT STATIONS
Act 106 of 1925

AN ACT to provide for the assent of the state of Michigan to the purposes of the grants of money authorized by the act of the congress of the United States, entitled "An act to authorize the more complete endowment of agricultural experiment stations, and for other purposes", approved February 24, 1925; and to provide for the acceptance and use of all funds appropriated pursuant to said act.

History: 1925, Act 106, Eff. Aug. 27, 1925.

The People of the State of Michigan enact:

390.241 Agricultural experiment stations; more complete endowment, state assent.

Sec. 1. The state of Michigan assents to the purposes of the grants of money authorized by the act of the congress of the United States, entitled "An act to authorize the more complete endowment of agricultural experiment stations, and for other purposes", approved February 24, 1925.

History: 1925, Act 106, Eff. Aug. 27, 1925;—CL 1929, 7892;—CL 1948, 390.241.

Compiler's note: For provisions of the act of congress referred to in this section, see 7 U.S.C. § 370 et seq.

390.242 Agricultural experiment stations; receipt of federal funds.

Sec. 2. The state board of agriculture is authorized and empowered to receive all funds appropriated by the federal government pursuant to the provisions of said act of congress and to receive the grants made under the provisions of said act of congress for the benefit of the experiment station of the Michigan agricultural college, and to use them in accordance with the terms and conditions expressed in the aforesaid act of congress.

History: 1925, Act 106, Eff. Aug. 27, 1925;—CL 1929, 7893;—CL 1948, 390.242.

AGRICULTURAL EXPERIMENT STATIONS
Act 20 of 1909

AN ACT giving the assent of the legislature of the state of Michigan to the grant of moneys from the United States by act of congress, approved March 16, 1906, being an act to provide for an increased annual appropriation for agricultural experimental stations and regulating the expenditure thereof.

History: 1909, Act 20, Eff. Sept. 1, 1909.

The People of the State of Michigan enact:

390.251 Agricultural experiment stations; increased appropriation, legislative assent.

Sec. 1. The legislative assent required by section 2 of an act of congress, approved March 16, 1906, being an act, entitled "An act to provide for an increased annual appropriation for agricultural experimental stations and regulating the expenditure thereof," is hereby granted and the moneys thereby appropriated are accepted under the conditions and terms named in said act.

History: 1909, Act 20, Eff. Sept. 1, 1909;—CL 1915, 1270;—CL 1929, 7894;—CL 1948, 390.251.

390.252 Agricultural experiment stations; use of moneys.

Sec. 2. All moneys derived by authority of said act shall be exclusively used in support of the department designated as "an agricultural experimental station" in connection with the state agricultural college of Michigan.

History: 1909, Act 20, Eff. Sept. 1, 1909;—CL 1915, 1271;—CL 1929, 7895;—CL 1948, 390.252.

CO-OPERATIVE AGRICULTURAL EXTENSION WORK
Act 65 of 1915

AN ACT giving the assent of the legislature of the state of Michigan to the grant of moneys from the United States by act of congress approved May 8, 1914, entitled "An act to provide for co-operative agricultural extension work between the agricultural colleges in the several states receiving the benefits of an act of congress approved July 2, 1862, and of acts supplementary thereto, and the United States department of agriculture," and designating the officer to whom the payments are to be made.

History: 1915, Act 65, Imd. Eff. Apr. 21, 1915.

The People of the State of Michigan enact:

390.261 Co-operative agricultural extension work; legislative assent; acceptance of money.

Sec. 1. The legislative assent required by section 3 of an act of congress, approved May 8, 1914, being an act entitled "An act to provide for co-operative agricultural extension work between the agricultural colleges in the several states receiving the benefits of an act of congress approved July 2, 1862, and of acts supplementary thereto, and the United States department of agriculture," is hereby granted, and the moneys thereby given are accepted under the terms and conditions expressed in the act of congress aforesaid.

History: 1915, Act 65, Imd. Eff. Apr. 21, 1915;—CL 1915, 1272;—CL 1929, 7896;—CL 1948, 390.261.

390.262 Co-operative agricultural extension work; federal aid, disposition of funds.

Sec. 2. The moneys derived by authority of said act shall be exclusively used in the support of co-operative agricultural extension work, to be carried on by the Michigan state college of agriculture and applied science, and the business manager of the state board of agriculture is hereby designated as the officer to whom such funds should be paid.

History: 1915, Act 65, Imd. Eff. Apr. 21, 1915;—CL 1915, 1273;—CL 1929, 7897;—Am. 1933, Act 116, Eff. Oct. 17, 1933;—CL 1948, 390.262.

AGRICULTURAL COLLEGE ENDOWMENT
Act 80 of 1891

AN ACT giving the assent of the legislature of the state of Michigan to the grant of moneys from the United States by act of congress approved August thirtieth, 1890, being an act to apply a portion of the proceeds of the public lands to the more complete endowment and support of the colleges for the benefit of agriculture and the mechanic arts, established under the provisions of an act of congress, approved July second, 1862.

History: 1891, Act 80, Eff. Oct. 2, 1891.

The People of the State of Michigan enact:

390.271 Agricultural college endowment; legislative assent; acceptance of money.

Sec. 1. That the legislative assent required by section 2 of act of congress, approved August thirtieth, 1890, being an act entitled, "An act to apply a portion of the proceeds of the public lands to the more complete endowment and support of the colleges for the benefit of agriculture and the mechanic arts, established under the provisions of an act of congress approved July second, 1862," is hereby given and the moneys thereby given are accepted under the conditions and terms in said act named.

History: 1891, Act 80, Eff. Oct. 2, 1891;—CL 1897, 1873;—CL 1915, 1268;—CL 1929, 7898;—CL 1948, 390.271.

390.272 Agricultural college endowment; use of money.

Sec. 2. That the moneys derived by authority of said act shall be used exclusively in support of the state agricultural college of Michigan.

History: 1891, Act 80, Eff. Oct. 2, 1891;—CL 1897, 1874;—CL 1915, 1269;—CL 1929, 7899;—CL 1948, 390.272.

CO-OPERATIVE AGRICULTURAL EXTENSION WORK
Act 56 of 1929

AN ACT giving the assent of the legislature of the state of Michigan to the grant of moneys from the United States by act of congress approved May 22, 1928, entitled "An act to provide for the further development of agricultural extension work between the agricultural colleges in the several states receiving the benefits of the act, entitled 'An act donating public lands to the several states and territories which may provide colleges for the benefit of agriculture and the mechanic arts,' approved July 2, 1862, and all acts supplementary thereto, and the United States department of agriculture", and designating the officer to whom the payments are to be made; and to make an appropriation for such purposes.

History: 1929, Act 56, Eff. Aug. 28, 1929.

The People of the State of Michigan enact:

390.281 Co-operative agricultural extension work; further development, legislative assent; acceptance of money.

Sec. 1. The legislative assent required by the act of congress approved May 22, 1928, entitled "An act to provide for the further development of agricultural extension work between the agricultural colleges in the several states receiving the benefits of the act, entitled 'An act donating public lands to the several states and territories which may provide colleges for the benefit of agriculture and the mechanic arts,' approved July 2, 1862, and all acts supplementary thereto, and the United States department of agriculture", is hereby granted, and the moneys thereby given are hereby accepted under the terms and conditions expressed in the act of congress aforesaid.

History: 1929, Act 56, Eff. Aug. 28, 1929;—CL 1929, 7900;—CL 1948, 390.281.

Compiler's note: For provisions of the act of congress approved May 22, 1928, referred to in this section, see 7 U.S.C. §§ 343a, 343b. For provisions of the act of congress approved July 2, 1862, referred to in this section, see 7 U.S.C. §§ 301 to 308.

390.282 Co-operative agricultural extension work; federal aid, disposition of funds.

Sec. 2. The moneys derived by authority of said act shall be used exclusively for the further development of agricultural extension work, as provided in said act, and the business manager of the state board of agriculture is hereby designated as the officer to whom such funds shall be paid.

History: 1929, Act 56, Eff. Aug. 28, 1929;—CL 1929, 7901;—Am. 1933, Act 117, Eff. Oct. 17, 1933;—CL 1948, 390.282.

AGRICULTURAL COLLEGE EXPERIMENT BULLETIN
Act 81 of 1885

AN ACT to provide for the publication of useful information derived from experiments made in the different departments at the agricultural college.

History: 1885, Act 81, Imd. Eff. May 11, 1885.

The People of the State of Michigan enact:

390.291 Agricultural college experiment bulletin; publication.

Sec. 1. That the state board of agriculture be and they are hereby authorized to provide from time to time, in bulletin form, for the dissemination among the people of this state, and through the medium of the public press the results of experiments made in any of the different departments of the agricultural college, and such other information that they may deem of sufficient importance to require it to come to the immediate knowledge of the farmers and horticulturists of the state.

History: 1885, Act 81, Imd. Eff. May 11, 1885;—How. 5012a;—CL 1897, 1868;—CL 1915, 1263;—CL 1929, 7906;—CL 1948, 390.291.

390.292, 390.293 Repealed. 1957, Act 84, Eff. Sept. 27, 1957.

Compiler's note: The repealed sections provided for publication of articles prepared by professors of certain sciences and for an audit.

INSTITUTES, READING COURSES, AND LECTURES
Act 137 of 1899

390.301-390.306 Repealed. 1957, Act 85, Eff. Sept. 27, 1957.

HIGHWAY TRAFFIC SAFETY CENTER
Act 9 of 1955 (1st Ex. Sess.)

AN ACT to provide for the establishment of a highway traffic safety center at Michigan state university; to authorize appropriations therefor; and to authorize the state board of agriculture to utilize gifts and loans of material and money.

History: 1955, 1st Ex. Sess., Act 9, Imd. Eff. Nov. 10, 1955.

The People of the State of Michigan enact:

390.311 Highway traffic safety center; establishment.

Sec. 1. The state board of agriculture is hereby authorized and empowered to establish a highway traffic safety center at Michigan state university.

History: 1955, 1st Ex. Sess., Act 9, Imd. Eff. Nov. 10, 1955.

390.312 Highway traffic safety center; accommodations for research, instruction, distribution of information, demonstration programs.

Sec. 2. The state board of agriculture may provide suitable accommodations for class and demonstration rooms and such other facilities as may be necessary for research and the study of highway traffic safety problems and for the teaching of courses, the distribution of information and the conducting of demonstration programs relating to highway traffic safety wherever necessary.

History: 1955, 1st Ex. Sess., Act 9, Imd. Eff. Nov. 10, 1955.

390.313 Highway traffic safety center; personnel, apparatus, rules and regulations.

Sec. 3. The state board of agriculture may employ for the center, and may assign thereto, such professors, instructors, tutors, demonstrators and such other persons as from time to time may be considered necessary and may furnish all necessary apparatus and appliances for research and the study of highway traffic safety problems and for the teaching of courses related thereto, including extension courses and demonstrations, and may prescribe and regulate the courses offered and may make such rules and regulations for the operation of the center as may be necessary.

History: 1955, 1st Ex. Sess., Act 9, Imd. Eff. Nov. 10, 1955.

390.314 Highway traffic safety center; appropriations, loans, donations.

Sec. 4. There is hereby authorized to be appropriated from time to time such sums as may be necessary for the purposes of this act, and the state board of agriculture may utilize for the purposes of this act any loans, donations or gifts of material or money as may be made available to it.

History: 1955, 1st Ex. Sess., Act 9, Imd. Eff. Nov. 10, 1955.

MICHIGAN COLLEGE OF MINES; CHAIRMAN OF BOARD OF CONTROL
Act 174 of 1905

AN ACT to change the title of the presiding officer of the board of control of the Michigan college of mines from president to chairman.

History: 1905, Act 174, Imd. Eff. June 7, 1905.

The People of the State of Michigan enact:

390.341 Michigan college of mines; board of control, presiding officer, title change.

Sec. 1. The presiding officer of the board of control of the Michigan college of mines who is now designated as president shall hereafter be designated as chairman.

History: 1905, Act 174, Imd. Eff. June 7, 1905;—CL 1915, 1308;—CL 1929, 7932;—CL 1948, 390.341.

MICHIGAN TECHNOLOGICAL UNIVERSITY
Act 70 of 1885

AN ACT to establish and regulate the Michigan technological university.

History: 1885, Act 70, Imd. Eff. May 1, 1885;—Am. 1927, Act 3, Eff. Sept. 5, 1927;—Am. 1963, 2nd Ex. Sess., Act 49, Eff. Jan. 1, 1964.

The People of the State of Michigan enact:

390.351 Michigan technological university; name, purpose.

Sec. 1. The institution established in the Upper Peninsula known as the Michigan college of mining and technology, referred to in the constitution of 1963 as the Michigan college of science and technology, is continued after January 1, 1964, under the name of Michigan technological university, and shall be maintained for the purpose and under the regulations contained in this act. The institution shall provide the inhabitants of this state with the means of acquiring a thorough knowledge of the mineral industry in its various phases, and of the application of science to industry, as exemplified by the various engineering courses offered at technological institutions, and shall seek to promote the welfare of the industries of the state, insofar as the funds provided shall permit and the board of control shall deem advisable.

History: 1885, Act 70, Imd. Eff. May 1, 1885;—How. 5025a;—CL 1897, 1884;—CL 1915, 1299;—Am. 1927, Act 3, Eff. Sept. 5, 1927;—CL 1929, 7921;—CL 1948, 390.351;—Am. 1963, 2nd Ex. Sess., Act 49, Eff. Jan. 1, 1964.

390.352 Board of control; appointment of members; president as ex officio member; expenses; powers and duties enumerated.

Sec. 2. (1) The government of the Michigan technological university, the conduct of the university's affairs, and the control of the university's property shall be vested in a board of 8 members, who shall be known as the board of control of the Michigan technological university, and who shall be appointed by the governor, by and with the advice and consent of the senate. The president of the institution shall be ex officio a member of the board without the right to vote. The members of the board shall serve without compensation, but shall receive actual and necessary expenses incurred in the performance of the duties of their office.

(2) A majority of the members of the board of control may enact, amend, and repeal rules and bylaws for the conduct of the board's business as provided in section 3 and for the government of the institution; fix tuition and other fees and charges; appoint or remove personnel as the interests of the institution and the generally accepted principles of academic tenure permit or require; determine compensation to be paid for services and property; confer degrees and grant diplomas usually conferred or granted by other similar institutions; receive, hold, and manage any gift, grant, bequest, or devise of funds or property, real or personal, absolutely or in trust, which will promote the purposes of the institution; enter into agreements not inconsistent with this act as may be desirable in the conduct of the board's affairs; and lease or dispose of property which comes into the board's possession, if the board does not violate a condition or trust to which the property may be subject. The powers customarily exercised by the governing board of a college or university are vested in the board. The enumeration of powers in this section shall not be considered to exclude powers not expressly excluded by law.

History: 1885, Act 70, Imd. Eff. May 1, 1885;—How. 5025b;—CL 1897, 1885;—CL 1915, 1300;—Am. 1927, Act 3, Eff. Sept. 5, 1927;—CL 1929, 7922;—CL 1948, 390.352;—Am. 1963, 2nd Ex. Sess., Act 49, Eff. Jan. 1, 1964;—Am. 1977, Act 230, Imd. Eff. Nov. 30, 1977.

390.353 Board of control; conducting business in compliance with MCL 15.261 et seq.; time, place, notice, and adjournment of meeting; quorum; officers; bond; vote of board required for payment of money or disposal of property.

Sec. 3. (1) The business which the board may perform shall be conducted in compliance with Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws.

(2) A meeting of the board of control shall be called at a place and time and in a manner in compliance with Act No. 267 of the Public Acts of 1976. Public notice of the time, date, and place of the meeting shall be given in the manner required by Act No. 267 of the Public Acts of 1976. A meeting may be lawfully adjourned at the board's pleasure. Five members of the board shall form a quorum for business, and 2 members may hold a meeting open by adjournment, from time to time, not more than 2 weeks in all, provided a quorum shall not be present at the time appointed for the meeting. The board may elect 1 of the board's members or may designate the president of the institution to preside at board meetings. The board shall elect a secretary, a treasurer, and other officers as the board considers necessary. Each officer shall hold office at the

pleasure of the board. A member of the board shall not be eligible to election as the secretary or treasurer. The secretary and the treasurer each shall give a bond satisfactory to the board to secure the faithful performance of the duties of that office. Money shall not be paid out, or a contract shall not be made, or an act done, involving the payment of money or the disposal of property, except pursuant to a vote of the board.

History: 1885, Act 70, Imd. Eff. May 1, 1885;—How. 5025c;—CL 1897, 1886;—CL 1915, 1301;—CL 1929, 7923;—CL 1948, 390.353;—Am. 1956, Act 31, Eff. Aug. 11, 1956;—Am. 1963, 2nd Ex. Sess., Act 49, Imd. Eff. Jan. 1, 1964;—Am. 1977, Act 230, Imd. Eff. Nov. 30, 1977.

390.354 Board of control; securing of buildings and equipment; faculty, appointment, discharge.

Sec. 4. As soon as the means in its hands will permit, without incurring indebtedness, said board shall proceed to obtain a suitable location, and lease or erect such buildings, and procure such furniture, apparatus, library, and implements, as may be necessary for the successful operation of said school, and to appoint a principal, and such other teachers and assistants as the board may deem expedient, with salaries, to be paid from time to time, as it may agree, and to regulate their duties; but no agreement shall be valid whereby such board shall be prevented from discharging any one in their employ upon 2 months previous notice.

History: 1885, Act 70, Imd. Eff. May 1, 1885;—How. 5025d;—CL 1897, 1887;—CL 1915, 1302;—CL 1929, 7924;—CL 1948, 390.354.

390.355 Michigan college of mining and technology; courses of instruction, tuition; fees; supplies; free school, declaration; scholarships; short courses.

Sec. 5. The courses of instruction shall embrace such branches of practical and theoretical knowledge as will, in the opinion of the board, promote the objects of the college. The college shall be open to all students resident of this state and to all other students under such regulations and restrictions as the board of control may prescribe in accordance with the laws. The board may require tuition and fees of all students and fix the amount thereof. Reasonable charges shall be made against any student for incidental expenses and use of laboratories and apparatus and for all material consumed; but the board shall not be obliged to furnish books, apparatus or other materials for the use of students. As to all charges mentioned in this section, the board shall have the power to remit the same in whole or in part in the case of deserving and needy students who are bona fide residents of Michigan by establishing scholarships or otherwise. If the United States congress shall pass any act for assistance toward the support of the institution to be dependent on the institution being free to all citizens of the United States, the board of control shall have the power to declare the institution to be free, in accordance with such act of congress, and such declaration shall have the same force and effect as if the same were made by an act of the legislature of this state. The board shall have power to provide, under such rules and regulations as they shall prescribe, for such short courses of instruction as may be helpful to students who are not candidates for a degree, and may prescribe reasonable fees for the same.

History: 1885, Act 70, Imd. Eff. May 1, 1885;—How. 5025e;—Am. 1897, Act 81, Eff. Aug. 30, 1897;—CL 1897, 1888;—Am. 1903, Act 224, Eff. Sept. 17, 1903;—CL 1915, 1303;—Am. 1925, Act 11, Eff. Aug. 27, 1925;—Am. 1927, Act 3, Eff. Sept. 5, 1927;—CL 1929, 7925;—CL 1948, 390.355;—Am. 1959, Act 123, Imd. Eff. July 8, 1959;—Am. 1961, Act 189, Eff. Sept. 8, 1961.

390.356 Michigan college of mining and technology; curriculum; admission and discipline of students; degrees and diplomas.

Sec. 6. The course of study, the terms and the hours of instruction shall be regulated by the board, who shall also have power to make all such rules and regulations concerning the admission, control and discipline of students, and other matters, as may be deemed necessary for the good government of the institution and the convenience and transaction of its business, and also to confer such degrees and grant such diplomas as are usually conferred and granted by other similar institutions.

History: 1885, Act 70, Imd. Eff. May 1, 1885;—Am. 1889, Act 9, Imd. Eff. Feb. 23, 1889;—How. 5025f;—CL 1897, 1889;—CL 1915, 1304;—CL 1929, 7926;—CL 1948, 390.356.

390.357 Michigan college of mining and technology; contraction of debt; control of property; mining business.

Sec. 7. No debt shall be contracted beyond or apart from the actual means at the disposal of the institution. The board may dispose of or lease any property donated to the state for the purposes of said school, or which may be acquired in payment of debts, except of such as is necessary for the accommodation of the school. The board shall not enter upon the business of mining, or pursue the same, except so far as it may be deemed necessary in the course of instruction, nor shall they purchase any lands beyond what are required for the reasonable accommodation of the school.

History: 1885, Act 70, Imd. Eff. May 1, 1885;—How. 5025g;—CL 1897, 1890;—CL 1915, 1305;—CL 1929, 7927;—CL 1948, 390.357.

390.358 Michigan college of mining and technology; collection of minerals; report.

Sec. 8. It shall be the duty of said board to provide for obtaining and establishing a complete collection of minerals of the upper peninsula, and properly classifying the same; the board shall on or before the first day of December in each year next preceding the regular session of the legislature, make a report of its doings to the superintendent of public instruction, and shall transmit therewith a general report showing their receipts and expenditures during the period for which the report is made, as well as the general affairs of said school.

History: 1885, Act 70, Imd. Eff. May 1, 1885;—How. 5025h;—Am. 1897, Act 81, Eff. Aug. 30, 1897;—CL 1897, 1891;—CL 1915, 1306;—CL 1929, 7928;—CL 1948, 390.358.

390.359 Repealed. 1963, 2nd Ex. Sess., Act 49, Eff. Jan. 1, 1964.

Compiler's note: The repealed section provided that vacancies in Michigan technological university board could be filled by governor.

390.360 Michigan technological university; vesting of property.

Sec. 10. The board of control of the Michigan technological university is the successor of the board of control of the Michigan college of mining and technology, and all property held in trust or otherwise by, or in the custody, control or management of the Michigan college of mining and technology, or the board of control of the Michigan college of mining and technology, shall, when this act takes effect, vest in the Michigan technological university or the board of control of the Michigan technological university.

History: Add. 1927, Act 3, Eff. Sept. 5, 1927;—CL 1929, 7930;—CL 1948, 390.360;—Am. 1963, 2nd Ex. Sess., Act 49, Eff. Jan. 1, 1964.

390.361 Michigan technological university; acceptance of gifts; cooperation; agreements.

Sec. 11. The board of control may receive, hold and manage any gift, funds, or property granted or devised to it, or to the institution, to promote any of the purposes of the institution. The board may cooperate with other educational institutions, governmental bodies, industries, or persons, in such manner and degree as, in its judgment, will promote the welfare of the institution and of the industries of Michigan. The board may enter into agreements, not inconsistent with this act, as may be desirable, in its judgment, in the conduct of such matters and the management, control and administration of the affairs of the institution.

History: Add. 1927, Act 3, Eff. Sept. 5, 1927;—CL 1929, 7931;—CL 1948, 390.361;—Am. 1963, 2nd Ex. Sess., Act 49, Eff. Jan. 1, 1964.

390.362 Repealed. 1969, Act 26, Eff. Jan. 1, 1970.

Compiler's note: The repealed section provided that Sault Ste. Marie branch of Michigan technological university, was to be permanent establishment of institution and required that branch be operated as part of institution.

390.363 Board of control; rules and regulations adopted, posted, and published as ordinances; violation as misdemeanor; penalty; establishment of police force not permitted.

Sec. 13. The board of control may adopt reasonable rules and regulations for the safety, health, welfare, and protection of the people and for the protection and preservation of its property and property in or under the custody, control, and management of the board. When the rules and regulations are adopted, posted on the premises to which they pertain, and also published in newspapers circulated in Baraga and Houghton counties, they shall constitute ordinances. Any violation of such ordinances is a misdemeanor, punishable by a fine of not more than \$100.00 or imprisonment for not more than 60 days, or both. Nothing in this act permits the board to establish a police force.

History: Add. 1962, Act 105, Eff. Mar. 28, 1963;—Am. 1982, Act 384, Imd. Eff. Dec. 28, 1982.

MICHIGAN COLLEGE OF MINING AND TECHNOLOGY
Act 9 of 1938 (Ex. Sess.)

AN ACT to authorize the board of control of the Michigan College of Mining and Technology to borrow money for the purpose of financing the erection and operation of residence halls, housing units, and social centers at said college, and to repeal all acts and parts of acts inconsistent therewith.

History: 1938, Ex. Sess., Act 9, Imd. Eff. Sept. 8, 1938;—Am. 1945, Act 125, Imd. Eff. Apr. 27, 1945.

The People of the State of Michigan enact:

390.371 Michigan college of mining and technology; residence halls, housing units, and social centers, erection and operation; authority of board of control.

Sec. 1. The board of control of the Michigan College of Mining and Technology is authorized to:

(a) Acquire, purchase, or erect from time to time at the said college such residence halls and housing units as may be required for the good of the institution.

(b) Acquire, purchase, or erect buildings, rooms and facilities to be used as social centers for the students and faculty members of said institution separate from or combined with residence halls when in its judgment the same may be required for the good of the institution.

(c) Rent the rooms and facilities in such residence halls and housing units and provide board to the students, faculty members, guests and employes of said institution at such rates as will insure a reasonable excess of income over operation expense.

(d) Collect from each student enrolled in the said college a reasonable fee for the use of or maintenance of social centers provided for them under the provisions of this act.

(e) Hold the funds derived from the operation of such residence halls and housing units or fees collected for the use of or maintenance of social centers and spend the same for repairs, replacements and betterments, including the payment of indebtedness resulting from the erection or purchase of residence halls and housing units or buildings, rooms and facilities to be used as social centers.

(f) Exercise full control and complete management of such residence halls, housing units, and social centers.

History: 1938, Ex. Sess., Act 9, Imd. Eff. Sept. 8, 1938;—Am. 1945, Act 125, Imd. Eff. Apr. 27, 1945;—CL 1948, 390.371.

390.372 Michigan college of mining and technology; title of real estate, held by board of control.

Sec. 2. The title of all real estate and improvements acquired and erected under the provisions of this act shall be taken and held in the name of the board of control of the Michigan college of mining and technology.

History: 1938, Ex. Sess., Act 9, Imd. Eff. Sept. 8, 1938;—CL 1948, 390.372.

390.373 Michigan college of mining and technology; board of control, borrowing power, issuance of obligations.

Sec. 3. In carrying out the above power, said board may borrow money, pledging the rents and income received from the residence halls and housing units in excess of all operating expenses, for the discharge of loans so executed, and/or pledging the fees charged the students for the use and maintenance of social centers provided for them under this act and any revenue derived from the operation of the said centers for the discharge of loans so executed: Provided, That any obligations issued under the provisions of this act shall contain the provisions of section 4 of this act printed on the face thereof.

History: 1938, Ex. Sess., Act 9, Imd. Eff. Sept. 8, 1938;—Am. 1945, Act 125, Imd. Eff. Apr. 27, 1945;—CL 1948, 390.373.

390.374 Michigan college of mining and technology; obligations, payment.

Sec. 4. No obligations hereunder shall ever be or become a charge against the state of Michigan, nor shall the same become a lien on or secured by any property, real, personal or mixed, of the state or the board of control of said college, but all such obligations, including principal and interest, shall be payable solely:

(a) From the net rents and income obtained from the operation of residence halls and housing units, pledged or otherwise.

(b) Fees charged students for the use of or maintenance of social centers provided for them under the provisions of this act.

(c) Gifts and bequests made to the board of control of the Michigan College of Mining and Technology for the express purpose of financing, partially or completely, the purchase or construction at said college of residence halls, housing units, or social centers for students and faculty members, or for retiring outstanding

indebtedness as herein created.

History: 1938, Ex. Sess., Act 9, Imd. Eff. Sept. 8, 1938;—Am. 1945, Act 125, Imd. Eff. Apr. 27, 1945;—CL 1948, 390.374.

390.375 Michigan state college of mining and technology; prohibition of state to purchase bonds or obligations.

Sec. 5. Bonds or obligations issued under the provisions of this act shall not be purchased by the state of Michigan.

History: 1938, Ex. Sess., Act 9, Imd. Eff. Sept. 8, 1938;—CL 1948, 390.375.

MICHIGAN COLLEGE OF MINING AND TECHNOLOGY
Act 250 of 1929

AN ACT to authorize actions and suits by and against the board of control of the Michigan college of mining and technology, or its successor, for the construction of terms, purposes and conditions of written instruments making or fixing the terms of gifts of money or property to or for the use and benefit of said college, or its predecessors or successors, or their respective boards of control, or for the use of students, faculty members or employes, of such institutions, or for an accounting of property held under the terms of such instruments.

History: 1929, Act 250, Eff. Aug. 28, 1929.

The People of the State of Michigan enact:

390.381 Michigan college of mining and technology; grounds for suits or legal actions by or against board of control; judgment or decree.

Sec. 1. Whenever any money or property shall have been or hereafter shall be devised, bequeathed or given by any will, deed, bill of sale or other written instrument, or subject to the terms of any written instrument, to or for the use of the Michigan college of mining and technology, or its board of control, or to or for the use of any of its predecessors or successors or their respective boards of control, or to said institution or any of its predecessors and successors, or its or their respective boards of control, for the use of students, faculty members or employes of the same, and it shall be deemed by the board of control of said institution or its successor, or by any interested person, or by any trustee or trustees under any such written instrument, necessary or desirable to have the terms, purposes or conditions of any such written instrument construed by an action or suit, or to have an accounting in court of the property so held, the then board of control of such institution or of its successor may and shall be made a party plaintiff or defendant, by its then name, to any such action or suit, and therein such board of control or its successor shall represent and act for the said college and its predecessors or successors, and their respective boards of control, and for each and all such beneficiaries not specifically designated in such instrument who may be interested in the distribution of any part of the principal or income arising from any such devise, bequest or gift; and judgment or decree in said action or suit shall be binding upon all so represented.

History: 1929, Act 250, Eff. Aug. 28, 1929;—CL 1929, 7934;—CL 1948, 390.381.

390.382 Suits or actions; institution, process, abatement.

Sec. 2. Any such action or suit authorized by section 1 of this act to be brought by said board of control may be instituted by authority of a vote and in the name of the board of control of the Michigan college of mining and technology, or its successor; and in any such suit where said board of control, or its successor, is made a party defendant, service of process may be had upon such board of control, or its successor, by serving any process in the usual way upon the chairman or secretary of such board of control or its successor, which shall constitute full and complete service upon said board of control or its successor, and each member thereof. No death, resignation or other change in the membership of said board of control, or its successor, shall affect any such suit after the same has been instituted or service of process had as aforesaid upon such board of control or its successor.

History: 1929, Act 250, Eff. Aug. 28, 1929;—CL 1929, 7935;—CL 1948, 390.382.

LAKE SUPERIOR STATE UNIVERSITY
Act 26 of 1969

AN ACT to establish an institution of higher education having authority to grant baccalaureate degrees, known as Lake Superior state university; to implement section 6 of article VIII of the state constitution of 1963 by providing for the appointment of the first board of control, the organization of the board and the vesting of assets in the board; granting and confirming the powers of the board; and to repeal certain acts and parts of acts.

History: 1969, Act 26, Eff. Jan. 1, 1970;—Am. 1987, Act 158, Imd. Eff. Nov. 5, 1987.

The People of the State of Michigan enact:

390.391 Lake Superior state university; establishment; location; powers of board of control.

Sec. 1. (1) There is established a state institution of higher education having authority to grant baccalaureate degrees known as Lake Superior state university to be located at Sault Ste. Marie. The institution shall be maintained by the state and its facilities shall be made available equally and upon the same basis to all qualified residents of this state. The institution shall be governed by a board of control which shall be a body corporate. Until changed by resolution of the board, the body corporate shall be known as the "board of control of Lake Superior state university".

(2) In addition to other powers granted by law, the board has all of the following powers:

- (a) General supervision of the university.
 - (b) Control and direction of all expenditures from the university's funds.
 - (c) The right to sue and be sued.
 - (d) Adoption of a seal and altering of a seal.
- (3) As used in this act, "board" means the board of control of Lake Superior state university.

History: 1969, Act 26, Eff. Jan. 1, 1970;—Am. 1987, Act 158, Imd. Eff. Nov. 5, 1987.

390.392 Board of control; members; term.

Sec. 2. The board shall consist of 8 members who shall hold office for terms of 8 years and who shall be appointed by the governor by and with the advice and consent of the senate, except of the members first appointed 2 shall serve for 2 years, 2 for 4 years, 2 for 6 years and 2 for 8 years. The president of the institution shall be ex officio a member of the board without the right to vote.

History: 1969, Act 26, Eff. Jan. 1, 1970.

390.393 Board of control; appointment of secretary and treasurer; terms of officers; treasurer's bond; limitation.

Sec. 3. The board shall appoint a secretary and a treasurer. Officers shall serve terms of 1 year and until their successors shall have been appointed and qualified. Before permitting the treasurer to enter upon the duties of his office, the board shall require him to file his bond to the people of this state with such sureties and in such sum not less than the amount of money likely to be in his possession as the board may designate. No officer shall have the power to incur obligations or to dispose of the board's property or funds, except in pursuance of a vote of the board.

History: 1969, Act 26, Eff. Jan. 1, 1970;—Am. 1971, Act 153, Imd. Eff. Nov. 22, 1971.

390.394 Board of control; quorum; conducting business in compliance with MCL 15.261 et seq.; notice of meeting; powers and duties enumerated.

Sec. 4. (1) A majority of the members of the board shall form a quorum for the transaction of business. The business which the board may perform shall be conducted in compliance with Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Public notice of the time, date, and place of the meeting shall be given in the manner required by Act No. 267 of the Public Acts of 1976.

(2) The board by majority vote of its membership may enact and amend rules and bylaws for the conduct of the board's business as provided in subsection (1) and for the government of the institution, fix tuition and other fees and charges; appoint and remove personnel as the interests of the institution, the mandates of due process, and the policy of the institution on academic tenure may require; determine the compensation to be paid for services and materials; confer degrees and grant diplomas as are usually conferred or granted by other similar institutions; offer technical, vocational, and occupational programs of less than 4 years collegiate degree level; receive, hold, and manage any gift, grant, bequest, or devise of funds or property, real or personal, absolutely or in trust, to promote the purposes of the college; enter into agreements, not inconsistent

with this act, as may be desirable in the conduct of the board's affairs; and in behalf of the state, lease or dispose of property which comes into the board's possession, if the board does not violate a condition or trust to which the property may be subject.

(3) This act shall be construed to implement, clarify, and confirm in the board the constitutional powers customarily exercised by the board of control of an institution of higher education established by law which may grant baccalaureate degrees. Enumeration of powers in this act shall not be considered to exclude powers not expressly excluded by law.

History: 1969, Act 26, Eff. Jan. 1, 1970;—Am. 1977, Act 247, Imd. Eff. Dec. 6, 1977.

390.395 Sault Ste. Marie facilities as physical properties of university.

Sec. 5. The present facilities of the Sault Ste. Marie branch of Michigan technological university constitute the physical properties of Lake Superior state university.

History: 1969, Act 26, Eff. Jan. 1, 1970;—Am. 1987, Act 158, Imd. Eff. Nov. 5, 1987.

390.395a Costs of transition and name change.

Sec. 5a. (1) The state shall not bear any cost incurred in the transition of Lake Superior state college to Lake Superior state university. Costs incurred by the name change shall be borne by the institution from nonstate sources.

(2) A student shall not bear any cost incurred in the transition of Lake Superior state college to Lake Superior state university by an increase in either tuition or other student fees. All costs associated with the transition of Lake Superior state college to Lake Superior state university and the source from which funds required to effectuate the transition were received shall be reported to the house and senate appropriations committees no later than December 31, 1989.

History: Add. 1987, Act 158, Imd. Eff. Nov. 5, 1987.

390.396 Board of control; borrowing power; repayment; pledge.

Sec. 6. The board shall not borrow money on its general faith and credit, nor create any liens upon its property. The board may acquire land or acquire or erect buildings or alter, equip or maintain them, to be used as residence halls, apartments, dining facilities, student centers, health centers, parking structures, stadiums, athletic fields, gymnasiums, auditoriums and other educational facilities. After the legislature by concurrent resolution has approved the acquisition or construction of such facilities, the board may borrow money issuing notes or bonds under such terms and provisions as it deems best to finance such facilities and shall obligate itself for the repayment thereof, together with interest thereon, solely out of (a) income and revenues from such facilities, or other such facilities heretofore or hereafter acquired, (b) special fees and charges required to be paid by the students deemed by it to be benefited thereby, (c) funds to be received as gifts, grants or otherwise from the state or federal government or any agency thereof or any public or private donor, if, prior to issuance of such notes or bonds, the state, federal government or agency thereof or other donor has contracted to pay to the board or to the holder of such notes or bonds definite amounts of money as determined by formula or otherwise, (d) the proceeds of or delivery of any notes or bonds issued hereunder, and (e) any combination of (a), (b), (c) and (d).

History: 1969, Act 26, Eff. Jan. 1, 1970.

390.397 Repeal.

Sec. 7. Section 12 of Act No. 70 of the Public Acts of 1885, as amended, being section 390.362 of the Compiled Laws of 1948, is repealed.

History: 1969, Act 26, Eff. Jan. 1, 1970.

390.398 Bonds; purchase by state prohibited.

Sec. 8. Bonds, notes or other obligations issued under the provisions of this act shall not be purchased by the state of Michigan.

History: 1969, Act 26, Eff. Jan. 1, 1970.

390.399 Effective date of act.

Sec. 9. This act shall become effective January 1, 1970.

History: 1969, Act 26, Eff. Jan. 1, 1970.

STATE BOARD OF EDUCATION Act 194 of 1889

390.401-390.421 Repealed. 1957, Act 86, Eff. Sept. 27, 1957;—1961, Act 5, Eff. Sept. 8, 1961;—1963, 2nd Ex. Sess., Act 31, Eff. Jan. 1, 1964;—1964, Act 287, Eff. Aug. 28, 1964.

STATE BOARD OF EDUCATION
Act 202 of 1903

390.431 Repealed. 1964, Act 287, Eff. Aug. 28, 1964.

STATE NORMAL COLLEGE AND SCHOOLS
Act 15 of 1937

390.451-390.456 Repealed. 1963, 2nd Ex. Sess., Act 48, Eff. Jan. 1, 1964.

CENTRAL MICHIGAN NORMAL SCHOOL
Act 261 of 1895

390.471-390.473 Repealed. 1963, 2nd Ex. Sess., Act 48, Eff. Jan. 1, 1964.

NORMAL SCHOOLS; RECIPROACITY
Act 175 of 1897

390.481,390.482 Repealed. 1963, 2nd Ex. Sess., Act 48, Eff. Jan. 1, 1964.

NORTHERN STATE NORMAL SCHOOL
Act 51 of 1899

390.491-390.496 Repealed. 1963, 2nd Ex. Sess., Act 48, Eff. Jan. 1, 1964.

RECIPROCAL EXCHANGE OF EDUCATIONAL SERVICES Act 251 of 1972

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.

History: 1972, Act 251, Imd. Eff. Aug. 3, 1972.

The People of the State of Michigan enact:

390.501 “Reciprocal agreement” defined.

Sec. 1. As used in this act, "reciprocal agreement" means a contractual arrangement permitting resident students of a designated state to be admitted to a public institution of higher education in another state at an agreed tuition rate less than normally charged nonresident students of that state. The term includes a contractual arrangement that renews or extends an existing reciprocal agreement.

History: 1972, Act 251, Imd. Eff. Aug. 3, 1972;—Am. 2005, Act 34, Imd. Eff. June 7, 2005.

Compiler's note: For the transfer of powers and duties of the department of licensing and regulatory affairs to the department of labor and economic opportunity, see E.R.O. No. 2019-3, compiled at MCL 125.1998.

390.502 Department of labor and economic growth authorized to enter into reciprocal agreements.

Sec. 2. The department of labor and economic growth is the state agency to enter into reciprocal agreements with public educational agencies in other states.

History: 1972, Act 251, Imd. Eff. Aug. 3, 1972;—Am. 2005, Act 34, Imd. Eff. June 7, 2005.

Compiler's note: For the transfer of powers and duties of the department of licensing and regulatory affairs to the department of labor and economic opportunity, see E.R.O. No. 2019-3, compiled at MCL 125.1998.

390.503 Contents of reciprocal agreement.

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

(2) A reciprocal agreement shall not contain a provision establishing an indefinite term for the agreement or establishing a fixed term of more than 3 years. If a reciprocal agreement provides for renewal or extension of the agreement, that provision shall not provide for automatic renewal or extension, establish an indefinite term for a renewal or extension, or establish a fixed term of more than 3 years for any renewal or extension. The tuition rate for a student attending a community or junior college in this state under a reciprocal agreement is the rate for in-state, out-of-district students.

History: 1972, Act 251, Imd. Eff. Aug. 3, 1972;—Am. 2005, Act 34, Imd. Eff. June 7, 2005.

Compiler's note: For the transfer of powers and duties of the department of licensing and regulatory affairs to the department of labor and economic opportunity, see E.R.O. No. 2019-3, compiled at MCL 125.1998.

390.504 Approval of reciprocal agreements; validity.

Sec. 4. A reciprocal agreement, or a renewal or extension of a reciprocal agreement, entered into by the department of labor and economic growth is not valid until approved by the appropriations committees of the house of representatives and the senate.

History: 1972, Act 251, Imd. Eff. Aug. 3, 1972;—Am. 2005, Act 34, Imd. Eff. June 7, 2005.

Compiler's note: For the transfer of powers and duties of the department of licensing and regulatory affairs to the department of labor and economic opportunity, see E.R.O. No. 2019-3, compiled at MCL 125.1998.

390.505 Review of reciprocal agreements.

Sec. 5. The department of labor and economic growth shall annually review all reciprocal agreements to determine the fiscal effects and to correct any imbalances if necessary.

History: 1972, Act 251, Imd. Eff. Aug. 3, 1972;—Am. 2005, Act 34, Imd. Eff. June 7, 2005.

Compiler's note: For the transfer of powers and duties of the department of licensing and regulatory affairs to the department of labor and economic opportunity, see E.R.O. No. 2019-3, compiled at MCL 125.1998.

390.506 Certain universities excluded.

Sec. 6. The provisions of this act shall not apply to the university of Michigan, Michigan state university or

Wayne state university.

History: 1972, Act 251, Imd. Eff. Aug. 3, 1972.

Compiler's note: For the transfer of powers and duties of the department of licensing and regulatory affairs to the department of labor and economic opportunity, see E.R.O. No. 2019-3, compiled at MCL 125.1998.

**WESTERN STATE NORMAL SCHOOL
Act 156 of 1903**

390.511-390.515 Repealed. 1963, 2nd Ex. Sess., Act 48, Eff. Jan. 1, 1964.

**STATE NORMAL SCHOOL
Act 190 of 1925**

390.531-390.537 Repealed. 1962, Act 13, Imd. Eff. Mar. 19, 1962.

**GOGEBIC NORMAL SCHOOL
Act 338 of 1925**

390.541,390.542 Repealed. 1962, Act 13, Imd. Eff. Mar. 19, 1962.

CENTRAL, EASTERN, NORTHERN, AND WESTERN MICHIGAN UNIVERSITIES
Act 48 of 1963 (2nd Ex. Sess.)

AN ACT to provide for the continuation of Central Michigan university, Eastern Michigan university, Northern Michigan university and Western Michigan university; and to provide for the organization, powers and duties of their boards of control; and to repeal certain acts and parts of acts.

History: 1963, 2nd Ex. Sess., Act 48, Eff. Jan. 1, 1964.

The People of the State of Michigan enact:

390.551 Central, Eastern, Northern and Western Michigan universities; continuation; boards of control, appointment, terms, vacancy.

Sec. 1. The established state institutions known as Central Michigan university, Eastern Michigan university, Northern Michigan university and Western Michigan university are continued under these names. Each institution shall be governed by a separate 8-member board of control. The governor shall appoint the board members by and with the advice and consent of the senate for terms of 8 years commencing on January 1, except that the first boards shall be appointed so that the terms of 2 members of each board shall expire on December 31, 1964, 1966, 1968 and 1970. When a vacancy occurs other than by the expiration of a term, the governor shall fill the vacancy by appointment by and with the advice and consent of the senate for the remainder of the unexpired term.

History: 1963, 2nd Ex. Sess., Act 48, Eff. Jan. 1, 1964.

390.552 Boards of control; officers, expenses.

Sec. 2. The president of each institution is ex officio a member of its board of control without the right to vote. A board may elect one of its members or may designate the president of the institution to preside at board meetings. A board shall elect a secretary, a treasurer, and such other officers as it deems necessary. Officers shall hold office at the pleasure of the board. No member of the board shall be eligible to election as secretary or treasurer. The secretary and the treasurer each shall give a bond satisfactory to the board to secure the faithful performance of the duties of his office. No officer may incur obligations or dispose of his board's property or funds, except pursuant to a vote of the board. Board members shall receive their necessary traveling and other expenses, to be paid out of the general fund.

History: 1963, 2nd Ex. Sess., Act 48, Eff. Jan. 1, 1964.

390.553 Boards of control; general supervision, powers and duties.

Sec. 3. A board of control shall have general supervision of its institution, the control and direction of all funds of the institution, and such other powers and duties as may be prescribed by law.

History: 1963, 2nd Ex. Sess., Act 48, Eff. Jan. 1, 1964.

390.554 Board of control; quorum; conducting business in compliance with MCL 15.261 et seq.; notice of meeting; powers and duties enumerated.

Sec. 4. A majority of the members of a board of control shall constitute a quorum. The business which the board of control may perform shall be conducted in compliance with Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Public notice of the time, date, and place of the meeting shall be given in the manner required by Act No. 267 of the Public Acts of 1976. A majority of its members may enact, amend, and repeal rules and bylaws for the conduct of the board's business and for the government of the institution; fix tuition and other fees and charges; appoint or remove personnel as the interests of the institution and the generally accepted principles of academic tenure permit or require; determine compensation to be paid for services and property; confer degrees and grant diplomas usually conferred or granted by other similar institutions; receive, hold, and manage a gift, grant, bequest, or devise of funds or property, real or personal, absolutely or in trust, which will promote the purposes of its institution; enter into agreements not inconsistent with this act as may be desirable in the conduct of the board's affairs; and lease or dispose of property which comes into the board's possession, if the board does not violate a condition or trust to which the property may be subject. The powers customarily exercised by the governing board of a college or university are vested in each board. The enumeration of powers in this section is not considered to exclude powers not expressly excluded by law.

History: 1963, 2nd Ex. Sess., Act 48, Eff. Jan. 1, 1964;—Am. 1977, Act 228, Imd. Eff. Nov. 30, 1977.

390.555 Boards of control; body corporate, actions, seal.

Sec. 5. A board of control is a body politic and corporate. It may purchase, have, hold, possess and enjoy to itself and its successors all the real and personal property of every kind now belonging to its respective institution or hereafter acquired by it and may grant, alien, invest, sell and dispose of the same; may sue and be sued, plead and be impleaded in all the courts in this state; and may have, alter and use a seal.

History: 1963, 2nd Ex. Sess., Act 48, Eff. Jan. 1, 1964.

390.556 State board of education; division and transfer of funds to respective boards of control.

Sec. 6. All property and funds of the state board of education, established under the 1908 state constitution, now held for the use and benefit of a specific institution shall become property and funds of the board of control of that institution. Such state board of education shall make all necessary divisions of property and funds held for the use and benefit of more than one institution, and shall make all necessary conveyances of property and funds to each board of control.

History: 1963, 2nd Ex. Sess., Act 48, Eff. Jan. 1, 1964.

390.557 State board of education; contracts, assignment.

Sec. 7. All contracts and obligations of the state board of education, established under the 1908 state constitution, for the use and benefit of a specific institution are continued and are binding upon the board of control of that institution. If more than one institution will receive a benefit from a single contract and the state has an obligation, the boards of control of the institutions receiving the benefit shall divide and share the obligation in proportion to the benefit received. Such state board of education shall make appropriate arrangements with the board of control of each institution for the assignment of rights and duties under continuing contracts or obligations but such arrangement shall not impair the obligation of any contract or create a breach thereof. If an impairment or breach would otherwise occur, then the contract or obligation shall continue as that of such state board of education and its successor state board of education under the 1963 state constitution but for the use and benefit of the specific institution concerned.

History: 1963, 2nd Ex. Sess., Act 48, Eff. Jan. 1, 1964.

390.558 Boards of control; borrowing powers; pledge of revenues; approval.

Sec. 8. A board of control shall not borrow money on its general faith and credit, nor create any liens upon its property. A board, after approval by the legislature, may acquire land or acquire or erect buildings, or alter, equip or maintain them, to be used as residence halls, apartments, dining facilities, student centers, health centers, stadiums, athletic fields, gymnasiums, auditoriums, parking structures and other educational facilities. A board may borrow money under such terms and provisions as it deems best to finance such facilities, and shall obligate itself for the repayment thereof, together with interest thereon, solely out of the income and revenues from such facilities, or other such facilities heretofore or hereafter acquired, or from special fees and charges required to be paid by the students deemed by it to be benefited thereby, or any combination thereof.

History: 1963, 2nd Ex. Sess., Act 48, Eff. Jan. 1, 1964;—Am. 1964, Act 14, Imd. Eff. Apr. 6, 1964;—Am. 1969, Act 16, Imd. Eff. May 23, 1969.

390.559 Boards of control; teacher training schools, maintenance; contracts.

Sec. 9. A board of control shall maintain in connection with the training of teachers fully equipped training schools as schools of observation and practice. A board may contract with the board of education of any school district near its institution to use the schools and school property of the school district as schools of observation and practice, and may furnish equipment, teachers, administrators, employees and facilities deemed necessary to provide the observation and practice. The boards of education of these school districts may enter into such contracts and confer upon the boards of control their duties as are prescribed by law and deemed necessary by the school boards and board of control to carry out the provisions herein. Any contract heretofore entered into between the state board of education and the board of education of a school district for the purpose of providing observation and practice is continued as a binding contract between the board of control of the institution covered by such contract and the board of education of the school district.

History: 1963, 2nd Ex. Sess., Act 48, Eff. Jan. 1, 1964.

390.560 Boards of control; public school teaching, courses of study.

Sec. 10. Each institution shall instruct persons in the science and art of teaching in the public schools of the various school districts of the state. Each board of control shall prescribe appropriate courses of study for the preparation and training of persons for such teaching.

History: 1963, 2nd Ex. Sess., Act 48, Eff. Jan. 1, 1964.

390.561 Repeals.

Sec. 11. Act No. 261 of the Public Acts of 1895, being sections 390.471 to 390.473 of the Compiled Laws of 1948, Act No. 175 of the Public Acts of 1897, being sections 390.481 and 390.482 of the Compiled Laws of 1948, Act No. 51 of the Public Acts of 1899, being sections 390.491 to 390.496 of the Compiled Laws of 1948, Act No. 156 of the Public Acts of 1903, being sections 390.511 to 390.515 of the Compiled Laws of 1948, Act No. 15 of the Public Acts of 1937, as amended, being sections 390.451 to 390.456 of the Compiled Laws of 1948, and Act No. 108 of the Public Acts of 1941, as amended, being section 390.581 of the Compiled Laws of 1948, are repealed.

History: 1963, 2nd Ex. Sess., Act 48, Eff. Jan. 1, 1964.

390.562 Effective date of act.

Sec. 12. This act shall take effect on January 1, 1964.

History: 1963, 2nd Ex. Sess., Act 48, Eff. Jan. 1, 1964.

**MICHIGAN STATE NORMAL COLLEGE
Act 52 of 1899**

390.571 Repealed. 1955, Act 100, Eff. Oct. 14, 1955.

**TEACHERS COLLEGES; CHANGE OF NAMES
Act 108 of 1941**

390.581 Repealed. 1963, 2nd Ex. Sess., Act 48, Eff. Jan. 1, 1964.

NORTHERN MICHIGAN UNIVERSITY; ORDINANCES
Act 222 of 1970

AN ACT to authorize the board of control of northern Michigan university to adopt ordinances respecting persons and property and to provide for the enforcement of the ordinances.

History: 1970, Act 222, Imd. Eff. Nov. 24, 1970.

The People of the State of Michigan enact:

390.591 Northern Michigan university; board of control; ordinance powers.

Sec. 1. The board of control of northern Michigan university, hereinafter referred to as the board, may adopt ordinances, subject to constitutional and other law:

(a) For the protection, benefit, government and control of persons who are within the boundaries of lands over which the board has jurisdiction.

(b) For the protection, benefit, government and control of property over which the board has jurisdiction.

History: 1970, Act 222, Imd. Eff. Nov. 24, 1970.

390.592 Ordinances; adoption, publication, recording, inspection.

Sec. 2. The ordinances shall be adopted by a majority of the members of the board. The ordinances shall take effect upon publication in a newspaper regularly circulated within Marquette county. All ordinances shall be promptly recorded in a book called "the record of ordinances" and the book, or an accurate copy thereof, shall be maintained available for public inspection in the office of the secretary of the board.

History: 1970, Act 222, Imd. Eff. Nov. 24, 1970.

390.593 Violations, misdemeanor.

Sec. 3. The board may provide that a violation of its ordinances is a misdemeanor.

History: 1970, Act 222, Imd. Eff. Nov. 24, 1970.

390.594 Enforcement; jurisdiction; procedure; appeals; fines, costs.

Sec. 4. The enforcement of any ordinance shall be by law enforcement officers of this state, of the county, township or city where the violation of any such ordinance occurs, or by deputized law-enforcement officers employed by the university. A violation of an ordinance may be enforced in any court having jurisdiction over misdemeanors in the political subdivision in which the violation occurs. The procedure in such court shall be governed by statute and its ordinary rules of procedure. Appeals may be taken in the same manner as in other misdemeanor cases in such court. Fines collected by the court shall be paid to the treasurer of the political subdivision in which the offense is tried within 30 days after collection, and costs shall be handled in the same manner as provided for costs imposed for violation of misdemeanors under state statutes.

History: 1970, Act 222, Imd. Eff. Nov. 24, 1970.

COUNTY TEACHERS COLLEGE
Act 154 of 1927

390.601,390.602 Repealed. 1962, Act 13, Imd. Eff. Mar. 19, 1962.

COLLEGES AND OTHER INSTITUTIONS OF HIGHER EDUCATION
Act 193 of 1927

390.631-390.635 Repealed. 1962, Act 13, Imd. Eff. Mar. 19, 1962.

WAYNE STATE UNIVERSITY
Act 183 of 1956

AN ACT to establish and regulate a state institution of higher learning to be known as Wayne state university; to fix the membership and the powers of its governing board; to authorize the transfer to it by school districts and municipal corporations of certain property and funds; and to provide retirement privileges for its employees.

History: 1956, Act 183, Imd. Eff. Apr. 22, 1956.

The People of the State of Michigan enact:

390.641 Wayne state university; establishment, board of governors.

Sec. 1. There is hereby established a state institution of higher education to be located in the industrial area of southeastern Michigan. The institution shall be maintained by the state of Michigan, and its facilities shall be made equally available and upon the same basis to all qualified residents of this state. The conduct of its affairs and control of its property shall be vested in a board of governors, the members of which shall constitute a body corporate known as the "board of governors of Wayne state university," hereinafter referred to as "the board," with the right as such of suing and being sued, of adopting a seal, and altering the same.

History: 1956, Act 183, Imd. Eff. Apr. 22, 1956.

390.642 Repealed. 1963, 2nd Ex. Sess., Act 51, Eff. Jan. 1, 1964.

Compiler's note: The repealed section provided for temporary board of governors of Wayne State University.

390.643 Board of governors; election, term.

Sec. 3. There is established a "board of governors of Wayne state university" to consist of 8 members who shall be nominated and elected in accordance with the election laws of this state. The president of the university shall be ex officio a member of the board without the right to vote and shall preside at meetings of the board.

History: 1956, Act 183, Imd. Eff. Apr. 22, 1956;—Am. 1963, 2nd Ex. Sess., Act 51, Eff. Jan. 1, 1964.

390.644 Board of governors; general supervision; compensation, expenses.

Sec. 4. The board of governors of Wayne state university shall have general supervision of Wayne state university, and the direction and control of all university funds, and shall perform such other duties as may be prescribed by law. Members of the board shall serve without compensation but shall be entitled to actual and necessary expenses incurred in connection with the duties of their office.

History: 1956, Act 183, Imd. Eff. Apr. 22, 1956;—Am. 1963, 2nd Ex. Sess., Act 51, Eff. Jan. 1, 1964.

390.645 Board of governors; election and terms of officers; treasurer's bond; vote required for incurring obligations or disposing of property or funds; quorum; conducting business in compliance with MCL 15.261 et seq.; notice of meeting; powers and duties enumerated.

Sec. 5. (1) The board shall elect a secretary, a treasurer, and other officers as it considers necessary. A member of the board shall not be eligible to election as secretary or treasurer. Each officer shall serve a term of 1 year and until a successor has been elected and qualified. Before permitting the treasurer to enter upon the duties of the office, the board shall require that a bond be filed for the people of this state with a surety and in a sum not less than the amount of money likely to be in the treasurer's possession as the board may designate. An officer may not incur obligations or dispose of the board's property or funds, except pursuant to a vote of the board.

(2) A majority of the members of the board shall form a quorum for the transaction of business. The business which the board may perform shall be conducted in compliance with Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Public notice of the time, date and place of a meeting shall be given in the manner required by Act No. 267 of the Public Acts of 1976. The board by majority vote of its membership may enact and amend rules and bylaws, for the conduct of the board's business and for the government of the institution; may fix tuition and other fees and charges; appoint or remove personnel as the interests of the institution and the generally accepted principles of academic tenure permit or require; determine the compensation to be paid for services and materials; confer degrees and grant diplomas as are usually conferred or granted by other similar institutions; receive, hold, and manage a gift, grant, bequest, or devise of funds or property, real or personal, absolutely or in trust, to promote the purposes of the university; enter into agreements, not inconsistent with this act, as may be desirable in the conduct of its

affairs; and, in behalf of the state, lease or dispose of property which comes into the board's possession, if the board does not violate a condition or trust to which the property may be subject. The board may exercise all powers customarily exercised by the governing board of a college or university and the enumeration of the powers in this act shall not be considered to exclude powers not expressly excluded by law.

History: 1956, Act 183, Imd. Eff. Apr. 22, 1956;—Am. 1963, 2nd Ex. Sess., Act 51, Eff. Jan. 1, 1964;—Am. 1977, Act 245, Imd. Eff. Dec. 6, 1977.

390.646 Board of governors; borrowing power.

Sec. 6. The board shall not borrow money on its general faith and credit, nor create any liens upon its property. The board, however, may borrow money to be used to acquire land or to acquire or erect buildings, or to alter, equip, or maintain them, to be used as dormitories, student centers, stadiums, athletic fields, gymnasiums, auditoriums, and other related activities, and it shall obligate itself for the repayment thereof, together with interest thereon, solely out of the fund derived from rentals or other income from the use and operation of the property so acquired, or from special fees and charges required to be paid by the students deemed by it to be benefited thereby; and may pledge all or any part of the fund as security therefor.

History: 1956, Act 183, Imd. Eff. Apr. 22, 1956.

390.647 Transfer of property and funds to board of governors; retirement provisions for employees.

Sec. 7. Any school district or county or municipal corporation in said area possessed of any funds or property, real or personal, which it may desire to devote to promoting higher education may transfer and convey such funds and property to the board, and in connection therewith attach any conditions or restrictions consistent with the purposes of the institution and acceptable to the board. If the properties of any operating college or university are transferred by a school district and accepted by the board, then the school district also shall be authorized to transfer to the board all records, papers, and documents of the college or university and all properties held in trust by said school district for the benefit of such college or university, but subject to the terms of such trusts; and all employees and faculty of the college or university shall become the employees of the board. If at the time of such transfer the faculty or employees are under the provisions of chapter 2 of Act No. 136 of the Public Acts of 1945, as amended, being sections 38.301 to 38.355, inclusive, of the Compiled Laws of 1948, then such faculty and employees shall remain under the provisions thereof and as they may hereafter be amended, in the same manner and with the same rights and obligations that they would have had, had there been no such transfer; and the board shall make such provisions for paying contributions to the retirement board as would have been required under the terms of said chapter 2 from the school district: Provided, however, That the board shall as soon as may be feasible formulate recommendations for submission to the legislature concerning a permanent plan or program for retirement benefits for said faculty and other employees. If such faculty and employees are also under the provisions of a contract between such school district and the state retirement board for coverage under title II of the federal social security act, such faculty and employees shall remain under the provisions thereof until such time as the board shall be able to enter into a contract for the continuance thereof; and in the meantime the said board shall pay to the school district such amounts as are required by the terms of the coverage contract.

History: 1956, Act 183, Imd. Eff. Apr. 22, 1956.

390.648 Board of governors; power of condemnation.

Sec. 8. The board shall be deemed a state agency, and as such shall have the right to acquire property as provided under the provisions of Act No. 149 of the Public Acts of 1911, as amended, being sections 213.21 to 213.41, inclusive, of the Compiled Laws of 1948.

History: 1956, Act 183, Imd. Eff. Apr. 22, 1956.

390.649 Board of governors; appropriations.

Sec. 9. There is hereby appropriated to the board of governors of Wayne state university from the general fund of the state the sum of \$3,239,633.00: Provided, however, That the funds herein appropriated shall not be expended by said board until and unless there shall have been transferred to said board the properties now owned by the board of education of the city of Detroit and used in the present operations of Wayne state university: And further provided, That the said board of education of the city of Detroit shall have appropriated to the said board of governors or have contracted with it for the payment of the sum of \$10,000,000.00 for each of the fiscal years commencing with July 1, 1956, 1957 and 1958. Such contract for payment may be conditioned upon the receiving by the said board of education from the state aid fund for the support of Wayne state university of sums substantially equivalent to those received for this purpose in the

fiscal year commencing July 1, 1955.

History: 1956, Act 183, Imd. Eff. Apr. 22, 1956.

STATE SCHOOL OF OSTEOPATHIC MEDICINE
Act 162 of 1969

AN ACT to establish a state-supported school of osteopathic medicine; to establish and fix the membership of an advisory board for the school; and to provide for its assignment to an established 4-year state institution of higher education.

History: 1969, Act 162, Imd. Eff. Aug. 5, 1969.

The People of the State of Michigan enact:

390.661 State school of osteopathic medicine; establishment; location; dean; operation by board of control.

Sec. 1. A school of osteopathic medicine is established and shall be located as determined by the state board of education at an existing campus of a state university with an existing school or college of medicine. The school must be headed by an osteopathic physician serving as the dean of the school of osteopathic medicine. The dean shall be responsible for the development and maintenance of the school in osteopathic medicine. The school shall be maintained by the state and its facilities shall be made equally available and on the same basis to all qualified residents of this state. Clinical services in osteopathy shall be given chiefly in affiliated osteopathic hospitals. The conduct of the affairs of the school shall be vested in the board of control of the institution of higher education to which the school is assigned.

History: 1969, Act 162, Imd. Eff. Aug. 5, 1969.

390.662 Repealed. 2013, Act 260, Imd. Eff. Dec. 30, 2013.

Compiler's note: The repealed section pertained to establishment of Michigan osteopathic medicine advisory board.

390.663 Repealed. 2013, Act 260, Imd. Eff. Dec. 30, 2013.

Compiler's note: The repealed section pertained to officers of Michigan osteopathic medicine advisory board.

390.664 Repealed. 2013, Act 260, Imd. Eff. Dec. 30, 2013.

Compiler's note: The repealed section pertained to rules and regulations of Michigan osteopathic medicine advisory board.

390.665 Board of control; powers and duties.

Sec. 5. The board of control may confer appropriate degrees and grant diplomas for which accreditation has been received from appropriate national accreditation authorities; receive, hold and manage any gift, grant, bequest or devise of funds or property, real or personal, absolutely or in trust, to promote any of the purposes of the school of osteopathic medicine; enter into agreements, not inconsistent with this act, as may be desirable in the conduct of the affairs of the university; and in behalf of the state lease or dispose of any property which comes into its possession, if in so doing it does not violate any condition or trust to which such property may be subject. All powers customarily exercised by the governing board of a college or university are vested in the board of control of the institution of higher education to which the school of osteopathic medicine is assigned and the enumeration of powers herein shall not be deemed to exclude any powers not expressly excluded by law.

History: 1969, Act 162, Imd. Eff. Aug. 5, 1969.

390.666 Effective date of act.

Sec. 6. This act shall become effective when the school of osteopathic medicine is assigned by the state board of education as prescribed in section 1, and when such affiliation is accepted by the board of control of the established state institution of higher education. The state board of education shall determine the assignment of the school to an established institution of higher education within 90 days of the enactment of this act.

History: 1969, Act 162, Imd. Eff. Aug. 5, 1969.

BOARDS OF CONTROL OF STATE INSTITUTIONS OF HIGHER EDUCATION
Act 99 of 1969

AN ACT to require members of boards of control of state institutions of higher education to be residents of this state.

History: 1969, Act 99, Eff. Mar. 20, 1970.

The People of the State of Michigan enact:

390.681 Boards of control of state institutions of higher education; membership, eligibility.

Sec. 1. A person shall not be eligible to membership on the board of control of any state supported institution of higher education who is not a registered elector of this state.

History: 1969, Act 99, Eff. Mar. 20, 1970.

BOARDS OF CONTROL OF STATE INSTITUTIONS OF HIGHER EDUCATION
Act 23 of 1963 (2nd Ex. Sess.)

AN ACT to provide for the election, appointment and terms of office of members of boards of control of certain state institutions of higher education.

History: 1963, 2nd Ex. Sess., Act 23, Eff. Jan. 1, 1964.

The People of the State of Michigan enact:

390.691 Regents of university of Michigan; extension of terms.

Sec. 1. The terms of office of the regents of the university of Michigan, who are holding office on January 1, 1964, and whose terms would otherwise expire on December 31, 1965, 1967, 1969 and 1971 shall continue for 1 year. Two regents shall be elected in each general November election beginning in 1966 for terms of 8 years to commence on January 1 following their election.

History: 1963, 2nd Ex. Sess., Act 23, Eff. Jan. 1, 1964.

390.692 Trustees of Michigan state university and governors of Wayne state university; extension of terms; appointment of new members.

Sec. 2. The terms of office of the members of the board of trustees of Michigan state university and the board of governors of Wayne state university, who are holding office on January 1, 1964, and whose terms would otherwise expire on December 31, 1965, 1967 and 1969 shall continue for 1 year. Two members of each of such boards shall be elected in each general November election for terms of 8 years to commence on January 1 following their election. The governor shall appoint 2 members each of the board of trustees and of the board of governors for terms expiring on December 31, 1964.

History: 1963, 2nd Ex. Sess., Act 23, Eff. Jan. 1, 1964.

390.693 Effective date of act.

Sec. 3. This act shall take effect on January 1, 1964.

History: 1963, 2nd Ex. Sess., Act 23, Eff. Jan. 1, 1964.

ALBION COLLEGE
Act 72 of 1857

AN ACT amendatory to the several acts in relation to the Wesleyan Seminary at Albion, and the Albion Female Collegiate Institute.

History: 1857, Act 72, Eff. May 19, 1857.

The People of the State of Michigan enact:

390.701 Albion college; creation; board of trustees; powers.

Sec. 1. There is created a body corporate known as Albion college consisting of a board of trustees for the purpose of maintaining an institution of learning located at the city of Albion in the county of Calhoun. Albion college has all the corporate powers, privileges and rights of the Wesleyan seminary at Albion and the Albion female college as heretofore existing, except as hereby changed or altered and with all the corporate property of the previously existing corporations.

History: 1857, Act 72, Eff. May 19, 1857;—CL 1915, 11073;—CL 1929, 8127;—CL 1948, 390.701;—Am. 1972, Act 137, Imd. Eff. May 18, 1972.

Former law: See Act 79 of 1907, Act 11 of 1845, and Act 9 of 1845.

390.701a Definitions.

Sec. 1a. As used in this act:

- (a) "Board of trustees" means the board of trustees of Albion college created in section 1.
- (b) "College" means Albion college, created in section 1.
- (c) "Nontrustee volunteer" means an individual, other than a volunteer trustee, performing services for the college who does not receive compensation or any other type of consideration for the services other than reimbursement for expenses actually incurred.
- (d) "Trustee" means a member of the board of trustees.
- (e) "Volunteer trustee" means a trustee who does not receive anything of more than nominal value from the college for serving as a trustee other than reasonable per diem compensation and reimbursement for actual, reasonable, and necessary expenses incurred by a trustee in his or her capacity as a trustee.

History: Add. 2011, Act 220, Imd. Eff. Nov. 15, 2011.

390.702 Board of trustees; membership; term of office; limitation.

Sec. 2. (1) The board of trustees of Albion college shall consist of not more than 33 trustees, consisting of the following:

- (a) The president of the college.
- (b) Not more than 6 trustees, the number to be determined by the board of trustees, appointed by the United Methodist Church.
- (c) Not more than 2 trustees who are recent graduates of the college, the number to be determined by the board of trustees, appointed by the president of the college. Trustees appointed under this subdivision shall serve staggered 2-year terms.
- (d) Not more than 6 trustees, the number to be determined by the board of trustees, appointed by the Albion college alumni association.
- (e) Not more than 20 trustees, the number to be determined by the board of trustees, appointed by the trustees then in office.

(2) Unless otherwise provided in bylaws of the college adopted by the trustees under section 3, the term of office of a trustee appointed under subsection (1)(b), (d), or (e) is 3 years. The term of office of a trustee appointed under subsection (1)(c) is 2 years, except that the board of trustees may appoint an individual for a 1-year term so that the terms of office of board members appointed under subsection (1)(c) are staggered.

(3) The board of trustees may provide in bylaws adopted under section 3 a limitation on the number of consecutive terms an individual may serve as a trustee.

(4) A trustee appointed under subsection (1)(b), (c), (d), or (e) may serve in office only until the expiration of that trustee's term, regardless of whether a successor has been appointed.

History: 1857, Act 72, Eff. May 19, 1857;—CL 1915, 11074;—CL 1929, 8128;—CL 1948, 390.702;—Am. 1972, Act 137, Imd. Eff. May 18, 1972;—Am. 2011, Act 220, Imd. Eff. Nov. 15, 2011.

390.702a Repealed. 1972, Act 137, Imd. Eff. May 18, 1972.

Compiler's note: The repealed section pertained to additional members of the board of trustees of Albion college.

390.703 Board of trustees; powers; course of study; conferring of degrees.

Sec. 3. The said trustees shall have power to make by-laws for their own government and for the government of the institution; to elect or appoint the faculty or board of instruction of said college; to prescribe the course of study; to attend the examinations of the classes; to regulate the government and instruction of students and manage the affairs of said corporation in such manner as they think best calculated to promote and carry out the objects contemplated in this act. They shall have power to confer the bachelor's degree upon such persons as shall have completed satisfactorily to the faculty and said trustees the course of study prescribed. They shall have power to confer the master's degree on such graduates of Albion college or of other institutions of similar grade as they shall judge worthy, and they shall have power, also, to confer such honorary degrees as are usually conferred by colleges and universities and shall have all other powers and privileges belonging to colleges according to the laws of this state: Provided always, That the course of study for graduation shall be equal to that which is required in the university of Michigan.

History: 1857, Act 72, Eff. May 19, 1857;—CL 1915, 11076;—CL 1929, 8130;—CL 1948, 390.703.

390.704 Repealed. 2011, Act 220, Imd. Eff. Nov. 15, 2011.

Compiler's note: The repealed section pertained to election of president of Albion college.

390.705 Powers of corporation.

Sec. 5. The said corporation shall be capable of suing and being sued and receiving by gift, will or bequest, property, real and personal, and of holding and conveying the same. The said corporation shall have power to make and use a common seal, and to alter the same at pleasure.

History: 1857, Act 72, Eff. May 19, 1857;—CL 1915, 11078;—CL 1929, 8132;—CL 1948, 390.705.

390.705a Board of trustees; custodians of endowment funds.

Sec. 5-a. The said board of trustees shall be the custodians of the endowment fund of said college and shall control the investment of the funds held for endowment purposes, whether general or special. Said board, in its management of said funds, may employ committees, individuals, banks, trust companies or other agents and may fix the compensation to be paid for services and the guaranties to be required.

History: Add. 1923, Act 1, Imd. Eff. Feb. 16, 1923;—CL 1929, 8133;—CL 1948, 390.705a.

390.706 Act declared public; non-user of privileges; misnomer in instrument.

Sec. 6. This act shall be and hereby is declared to be a public act; no non-user of any of the privileges hereby granted to the said corporation shall create or produce a forfeiture of the same and no misnomer of said corporation in any deed, will, testament, gift, grant, demise or other instrument, contract or conveyance shall defeat or vitiate the same, provided that the corporation be sufficiently described to ascertain the intent.

History: 1857, Act 72, Eff. May 19, 1857;—CL 1915, 11079;—CL 1929, 8134;—CL 1948, 390.706.

390.707 Breach of trustee's or officer's fiduciary duty; liability.

Sec. 7. A volunteer trustee or a nontrustee volunteer who is an officer of the college has no personal liability to the college for monetary damages for a breach of the trustee's or officer's fiduciary duty. This provision does not eliminate or limit the liability of a trustee or officer for any of the following:

- (a) A breach of the trustee's or officer's duty of loyalty to the college.
- (b) Acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law.
- (c) Any distribution of assets of the college in violation of applicable law.
- (d) A transaction from which the trustee or officer derived an improper personal benefit.
- (e) An act or omission occurring before the effective date of this amendment.
- (f) An act or omission that is grossly negligent.

History: Add. 2011, Act 220, Imd. Eff. Nov. 15, 2011.

Compiler's note: Former MCL 390.707, which pertained to the election of trustees by the alumni association of Albion college, was repealed by Act 137 of 1972, Imd. Eff. May 18, 1972.

390.707a Volunteer trustee; liability for acts or omissions.

Sec. 7a. During the time that the college is tax exempt under section 501(c)(3) of the internal revenue code, 26 USC 501, the college assumes all liability to any person other than the college for all acts or omissions of a volunteer trustee incurred in the good faith performance of the volunteer trustee's duties.

History: Add. 2011, Act 220, Imd. Eff. Nov. 15, 2011.

390.707b Volunteer trustee or nontrustee volunteer; liability of college; conditions.

Sec. 7b. The college assumes the liability for all acts or omissions of a person who is a volunteer trustee or nontrustee volunteer occurring on or after the effective date of the amendatory act that added this section if all of the following are met:

(a) The person was acting or reasonably believed he or she was acting within the scope of his or her authority.

(b) The volunteer was acting in good faith.

(c) The volunteer's conduct did not amount to gross negligence or willful and wanton misconduct.

(d) The volunteer's conduct was not an intentional tort.

(e) The volunteer's conduct was not a tort arising out of the ownership, maintenance, or use of a motor vehicle for which tort liability may be imposed under section 3135 of the insurance code of 1956, 1956 PA 218, MCL 500.3135.

History: Add. 2011, Act 220, Imd. Eff. Nov. 15, 2011.

390.707c Volunteer trustee or nontrustee volunteer; liability for claim for monetary damages.

Sec. 7c. A claim for monetary damages for an act or omission of a volunteer trustee or a nontrustee volunteer shall not be brought or maintained against that volunteer trustee or nontrustee volunteer. The claim shall be brought and maintained against the college.

History: Add. 2011, Act 220, Imd. Eff. Nov. 15, 2011.

390.708 Repealed. 2011, Act 220, Imd. Eff. Nov. 15, 2011.

Compiler's note: The repealed section pertained to appointment of visitors.

SAGINAW VALLEY STATE UNIVERSITY
Act 278 of 1965

AN ACT to establish and regulate a state institution of higher education known as Saginaw valley state university; and to fix the membership and the powers of its governing board.

History: 1965, Act 278, Imd. Eff. July 22, 1965;—Am. 1966, Act 14, Imd. Eff. Apr. 6, 1966;—Am. 1975, Act 14, Imd. Eff. Mar. 26, 1975;—Am. 1987, Act 155, Imd. Eff. Nov. 5, 1987.

The People of the State of Michigan enact:

390.711 Saginaw valley state university; establishment; location; maintenance; equal availability of facilities; powers of board of control.

Sec. 1. (1) There is established a state institution of higher education known as Saginaw valley state university to be located in a 3-county area comprising the counties of Bay, Midland, and Saginaw. The institution shall be maintained by the state and its facilities shall be made equally available and upon the same basis to all qualified residents of this state. The conduct of its affairs and control of its property shall be vested in a board of control, the members of which shall constitute a body corporate.

(2) In addition to any other powers granted by law, the board has all of the following powers:

- (a) General supervision of the university.
 - (b) Control and direction of all expenditures from the university's funds.
 - (c) The right to sue and be sued.
 - (d) Adoption of a seal and altering of a seal.
- (3) As used in this act, "board" means the board of control of Saginaw valley state university.

History: 1965, Act 278, Imd. Eff. July 22, 1965;—Am. 1966, Act 14, Imd. Eff. Apr. 6, 1966;—Am. 1975, Act 14, Imd. Eff. Mar. 26, 1975;—Am. 1987, Act 155, Imd. Eff. Nov. 5, 1987.

390.712 Board of control; members, terms.

Sec. 2. There is established a "board of control", to consist of 8 members to be appointed by the governor with the advice and consent of the senate for terms of 8 years, except of the members first appointed 2 shall serve for 2 years, 2 for 4 years, 2 for 6 years and 2 for 8 years. The president of the institution shall be ex officio a member of the board without the right to vote.

History: 1965, Act 278, Imd. Eff. July 22, 1965.

390.713 Board of control; officers; term; treasurer's bond; incurring debts or disposing of board property or funds.

Sec. 3. The board of control may elect 1 of its members or may designate the president to preside at board meetings. The board shall elect from its membership a secretary, a treasurer and such other officers as it deems necessary. Officers shall serve terms of 1 year and until their successors shall have been elected and qualified. Before permitting the treasurer to enter upon the duties of his office, the board shall require him to file his bond to the people of this state with such sureties and in such sum not less than the amount of money likely to be in his possession as the board may designate. No officer shall have the power to incur obligations or to dispose of the board's property or funds, except in pursuance of a vote of the board.

History: 1965, Act 278, Imd. Eff. July 22, 1965.

390.714 Repealed. 1975, Act 14, Imd. Eff. Mar. 26, 1975.

Compiler's note: The repealed section pertained to selection of site for college.

390.715 Board of control; quorum; conducting business; notice of meeting; powers and duties generally.

Sec. 5. (1) A majority of the members of the board shall form a quorum for the transaction of business. The business which the board of control may perform shall be conducted in compliance with the open meetings act, Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Public notice of the time, date, and place of the meeting shall be given in the manner required by Act No. 267 of the Public Acts of 1976.

(2) The board by majority vote of its membership may enact or amend rules and bylaws for the conduct of the board's business and for the government of the institution; fix tuition and other fees and charges; appoint or remove personnel as the interests of the institution and the generally accepted principles of academic tenure permit or require; determine the compensation to be paid for services and materials; confer degrees and grant

diplomas as are usually conferred or granted by similar institutions; receive, hold, and manage any gift, grant, bequest, or devise of funds or property, real or personal, absolutely or in trust, promote the purposes of the university; enter into agreements, not inconsistent with this act, as may be desirable in the conduct of the board's affairs; and in behalf of the state, lease or dispose of property which comes into the board's possession, if the board does not violate a condition or trust to which the property may be subject. The board may exercise all powers customarily exercised by the governing board of a college or university and the enumeration of the powers in this section shall not be considered to exclude powers not expressly excluded by law.

History: 1965, Act 278, Imd. Eff. July 22, 1965;—Am. 1977, Act 229, Imd. Eff. Nov. 30, 1977;—Am. 1987, Act 155, Imd. Eff. Nov. 5, 1987.

390.715a Public safety department; public safety officers.

Sec. 5a. (1) The board may establish a public safety department and prescribe the powers and duties of the public safety department and prescribe the conditions of employment of its public safety officers. The public safety officers shall be peace officers of this state and shall have the authority of police officers under the Michigan vehicle code, Act No. 300 of the Public Acts of 1949, as amended, being sections 257.1 to 257.923 of the Michigan Compiled Laws. The public safety officers shall be vested with the same powers and authority as deputy sheriffs in the county where property of the board is situated, and shall enforce state law and the rules and ordinances of the university.

(2) The jurisdiction of public safety officers shall be limited to the property of the university and public property running through or adjacent to the university.

(3) The public safety officers shall be required to meet the training standards of the Michigan law enforcement officers training council act of 1965, Act No. 203 of the Public Acts of 1965, as amended, being sections 28.601 to 28.616 of the Michigan Compiled Laws.

History: Add. 1982, Act 21, Imd. Eff. Mar. 4, 1982;—Am. 1987, Act 155, Imd. Eff. Nov. 5, 1987.

390.716 Board of control; borrowing money; purpose; repayment; pledge.

Sec. 6. The board shall not borrow money on its general faith and credit, nor create any liens upon its property. With the approval of the legislature the board may borrow money to be used to acquire land or to acquire or erect buildings, or to alter, equip, or maintain them, to be used as dormitories, student centers, stadiums, athletic fields, gymnasiums, auditoriums, and other related activities, and it shall obligate itself for the repayment of the money, together with interest, solely out of the fund derived from rentals or other income from the use and operation of the property so acquired, or from special fees and charges required to be paid by the students if the board considers the students to be benefited; and may pledge all or a part of the fund as security for the loan.

History: 1965, Act 278, Imd. Eff. July 22, 1965;—Am. 1987, Act 155, Imd. Eff. Nov. 5, 1987.

390.717 Costs of transition or name change.

Sec. 7. (1) The state shall not bear any cost incurred in the transition of Saginaw valley state college to Saginaw valley state university. Costs incurred by the name change shall be borne by the institution from nonstate sources.

(2) A student shall not bear any cost incurred in the transition of Saginaw Valley state college to Saginaw Valley state university by an increase in either tuition or other student fees. All costs associated with the transition of Saginaw Valley state college to Saginaw Valley state university and the source from which funds required to effectuate the transition were received shall be reported to the house and senate appropriations committees no later than December 31, 1989.

History: Add. 1987, Act 155, Imd. Eff. Nov. 5, 1987.

HILLSDALE COLLEGE
Act 95 of 1943

AN ACT to renew and extend the corporate existence of Hillsdale College; and to declare the effect of this act.

History: 1943, Act 95, Imd. Eff. Apr. 13, 1943.

The People of the State of Michigan enact:

390.731 Hillsdale college; corporate existence renewed and extended.

Sec. 1. The corporate existence of Hillsdale college, which expired on July 17, 1922, is hereby renewed and extended until July 17, 1952, and Hillsdale college, whose corporate existence is hereby renewed and extended, shall hold and own all of the property held and owned by said Hillsdale college before its renewal, and shall be liable to all its debts, liabilities and obligations, as fully as if its former corporate term had not expired; and the officers thereof, who were such, de jure or de facto shall hold and continue in their offices until their successors shall be duly elected and qualified. A franchise fee of \$10.00 and a filing fee of \$5.00 shall be paid to the corporation and securities commission on the filing of said renewal application.

History: 1943, Act 95, Imd. Eff. Apr. 13, 1943;—CL 1948, 390.731.

390.732 Hillsdale college; acts and powers validated.

Sec. 2. All acts and powers exercised by Hillsdale college shall, if within the charter of said Hillsdale college, be valid as if its former corporate term had not expired.

History: 1943, Act 95, Imd. Eff. Apr. 13, 1943;—CL 1948, 390.732.

KALAMAZOO COLLEGE
Territorial Laws of 1833, Vol. III

AN ACT to establish Kalamazoo college and to prescribe its powers and duties.

History: 1833, Territorial Laws, Vol. III, approved Apr. 22, 1833;—Am. 1985, Act 203, Eff. Mar. 31, 1986.

The People of the State of Michigan enact:

390.751 Kalamazoo college; board of trustees, officers.

Sec. 1. That from and after the passage of this act, Caleb Eldred, William Meek, Wm. Duncan, H. H. Comstock, Nathaniel Millard, John Clark, F. P. Browning, Anson Brown, John Booth, B. B. Kercheval, Thos. W. Merrill, John S. Twiss, C. H. Swain, Robert Powell, Stephen Goodman, and C. A. Lamb, of said Territory, be, and they and their successors are hereby made, constituted, and established a body politic and corporate, with perpetual succession, by the name and style of Kalamazoo college (being the same body politic and corporate organized as "The Michigan and Huron Institute,") and that by the name and style of Kalamazoo college they and their successors shall forever be able and capable in law of suing and being sued, impleading and being impleaded, answering and being answered unto, in all suits whatsoever in law and equity, and to have and use a common seal, and to alter the same at pleasure, and that the above named persons and their successors in office shall be the trustees and together shall constitute a board of trustees and shall have and exercise the power and franchise herein granted, until others be, in the same manner herein provided, elected and appointed in their places; that they and their successors shall, by election by ballot, supply all vacancies, whether caused by death, resignation or other means, and said board of trustees, and their successors in office, shall annually appoint from their number a chairman, who shall preside at the meetings of said board of trustees and give the casting vote in case of equal division, who shall have and exercise all the powers conferred by law and by the board of trustees; a secretary who shall register the proceedings of said meetings; and a treasurer who shall keep the books and funds, subject at all times to the control, inspection and government of said board of trustees.

History: 1833, Territorial Laws, Vol. III, approved Apr. 22, 1833;—CL 1948, 390.751;—Am. 1955, Act 50, Imd. Eff. Apr. 29, 1955.

390.752 Business and object of corporation; college independent and autonomous.

Sec. 2. The particular business and object of this corporation shall be to establish, endow, conduct, and maintain an institution of higher learning, to be known as "Kalamazoo college", and affording instruction in the branches of education usually taught in colleges and universities, with special emphasis on the liberal arts and sciences. As an institution the college shall be independent in terms of governance while historically related to the American Baptist churches, U.S.A. The college shall neither compromise its autonomy, nor deny its heritage, but shall act as an autonomous community of memory which honors its church-related heritage and the values which derive from that heritage.

History: 1833 Territorial Laws, Vol. III, approved Apr. 22, 1833;—CL 1948, 390.752;—Am. 1955, Act 50, Imd. Eff. Apr. 29, 1955;—Am. 1985, Act 203, Eff. Mar. 31, 1986.

390.753 Board of trustees; membership; quorum; classes of trustees; terms; annual ballot; honorary trustees.

Sec. 3. (1) The board of trustees may, by a resolution adopted by 2/3 of its members, fix the number of members to constitute the board. However, the number of trustees constituting the board of trustees shall be at least 15 and not more than 54. Nine trustees constitute a quorum for the transaction of business at any meeting of the board. At the first meeting of the board, the trustees shall divide themselves into 3 classes of 1/3 of the whole number of each as nearly as possible. The term of office of the first class shall terminate at the expiration of the first year; of the second class shall terminate at the end of the second year; and of the third class shall terminate at the end of the third year, so that 1/3 of the number of trustees are chosen by the board annually by ballot.

(2) The board may elect any number of nonvoting honorary trustees. Honorary trustees are not included in the number of trustees constituting the board of trustees.

History: 1833, Territorial Laws, Vol. III, approved Apr. 22, 1833;—Am. 1887, Local Act 390, Imd. Eff. Mar. 15, 1887;—Am. 1941, Act 16, Imd. Eff. Mar. 11, 1941;—CL 1948, 390.753;—Am. 1955, Act 50, Imd. Eff. Apr. 29, 1955;—Am. 1985, Act 203, Eff. Mar. 31, 1986;—Am. 2010, Act 62, Imd. Eff. May 6, 2010.

390.754 President; appointment, election, or removal.

Sec. 4. The board of trustees shall have the power to appoint or elect and to remove from office a president

of Kalamazoo college.

History: 1833, Territorial Laws, Vol. III, approved Apr. 22, 1833;—Am. 1887, Local Act 390, Imd. Eff. Mar. 15, 1887;—Am. 1941, Act 16, Imd. Eff. Mar. 11, 1941;—CL 390.754;—Am. 1955, Act 50, Imd. Eff. Apr. 29, 1955;—Am. 1982, Act 521, Eff. Mar. 30, 1983.

390.755 Treasurer, agents, bonds.

Sec. 5. The treasurer and all other agents, when required by the trustees, shall, before entering upon the duties of their office, give bonds in such penal sum as the board of trustees may require for the security of any funds coming into their hands and to secure the carrying out of any authority given them.

History: Add. 1955, Act 50, Imd. Eff. Apr. 29, 1955.

Compiler's note: Former section 5 of the Territorial Laws, Vol. III, was repealed by Act 50 of 1955.

390.756 Kalamazoo college open to all religious persuasions and identities.

Sec. 6. Kalamazoo college shall be open to persons of all religious persuasions. The professing of any religious faith shall not be required. In the belief that religious diversity reflects the college's Baptist heritage and enriches the life of an academic community, persons of differing religious identities shall be encouraged to enroll.

History: Add. 1955, Act 50, Imd. Eff. Apr. 29, 1955;—Am. 1985, Act 203, Eff. Mar. 31, 1986.

390.757 Fiscal affairs; restricted donations; conveyances.

Sec. 7. The college and the trustees thereof shall have and are hereby vested with the power to acquire by purchase, gift, loan, grant, donation or otherwise for the use and benefit of the corporation, real estate, personal property and money, and may sell, use, hold, manage, invest and reinvest, lease, improve, mortgage, assign, convey and dispose of such real estate, personal property and money so acquired in such manner as the board of trustees shall deem necessary and desirable in carrying out the objects of this corporation. Any funds or property received from a donor and designated by the donor for a particular purpose shall be used for such purpose so long as such purpose exists: Provided, The purpose be not inconsistent with the general objects of this corporation. Any conveyance of real estate shall be executed by such officers and agents of the college as shall be designated by resolution of the board of trustees.

History: Add. 1955, Act 50, Imd. Eff. Apr. 29, 1955.

390.758 Inspection by legislature of college.

Sec. 8. Said college shall, at all times, be open to the inspection of any committee or other agent appointed by the legislature and it shall be the duty of the officers of said college, at all times, to exhibit to any committee, or agents appointed by the legislature, a full and complete statement of the general or particular concerns of the college.

History: Add. 1955, Act 50, Imd. Eff. Apr. 29, 1955.

390.759 Honors and degrees; earned degrees.

Sec. 9. The board of trustees shall have the power to confer the honors and degrees usually granted by collegiate institutions. Earned degrees shall be conferred only on persons who shall have passed through a course of studies deemed by the board to be equivalent to that prescribed by the regents of the university of Michigan for candidates for degrees and who have been recommended by the faculty of Kalamazoo college as being worthy thereof.

History: Add. 1955, Act 50, Imd. Eff. Apr. 29, 1955.

390.760 Board of trustees; power and authority.

Sec. 10. The trustees shall have the power and authority to:

(a) Make and amend rules, regulations, and bylaws which they consider necessary and proper for conducting the affairs of the board, for conducting the affairs and business of the corporation, and for securing the objects of the corporation.

(b) Transact all business necessary for carrying out the purposes of the corporation, or which is incidental to these purposes, as fully and effectually as any natural person or body politic or corporate has the power to manage the concerns belonging to that person or body.

(c) Delegate authority and act through officers, an executive committee, and other committees or agents which the trustees may designate. However, any of the provisions of this charter which directly relate to the relationship between Kalamazoo college and the American Baptist Churches, U.S.A. shall not be amended except with the consent of 2/3 of the members of the board of trustees.

History: Add. 1955, Act 50, Imd. Eff. Apr. 29, 1955;—Am. 1985, Act 203, Eff. Mar. 31, 1986.

390.761 Expulsion; suspension.

Sec. 11. A person may be expelled or suspended from the privileges of Kalamazoo college if in the judgment of the president of the college, the board of trustees, or any other person or committee designated by the board of trustees, it is considered in the best interest of the college.

History: Add. 1985, Act 203, Eff. Mar. 31, 1986.

NONINCORPORATED PRIVATE EDUCATIONAL INSTITUTIONS
Act 142 of 1964

AN ACT to authorize the state department of education to provide minimum requirements for nonincorporated privately operated institutions which purport to offer degrees, diplomas or certificates based on education beyond high school, or education for transfer to institutions of higher learning.

History: 1964, Act 142, Eff. Aug. 28, 1964;—Am. 1969, Act 167, Imd. Eff. Aug. 5, 1969.

The People of the State of Michigan enact:

390.771 Nonincorporated private educational institutions; standards; exemptions.

Sec. 1. The state department of education may approve or disapprove educational programs, which are post high school in nature designed for transfer of credit, which purport to lead to diplomas, certificates or degrees, in terms of minimum standards which the department may establish with regard to (a) housing space and administrative facilities; (b) educational programs leading to such diplomas, certificates or degrees; (c) laboratory, library and teaching facilities; and (d) instructional staff, for any privately operated institution not incorporated under the provisions of Act No. 327 of the Public Acts of 1931, as amended, being sections 450.1 to 450.192 of the Compiled Laws of 1948, when such an institution is operated by a person, group of persons, partnership, partnership association, limited partnership association, or any other form of association. The department may establish minimum general requirements for any degree, diploma or certificate to be offered by such an institution. Nonincorporated, privately operated institutions organized to offer post high school programs for students who will transfer to institutions of higher learning shall be within the jurisdiction of the department of education for purposes of this act. Schools licensed by other agencies, boards or commissions, which review the curriculum prior to the issuance or renewal of a license, shall be exempt from the provisions of this act.

History: 1964, Act 142, Eff. Aug. 28, 1964;—Am. 1969, Act 167, Imd. Eff. Aug. 5, 1969.

Compiler's note: For transfer of powers and duties regarding non-incorporated privately operated post-secondary institutions from Michigan strategic fund to department of licensing and regulatory affairs, see E.R.O. No. 2012-4, compiled at MCL 125.1994.

For the transfer of powers and duties of the department of licensing and regulatory affairs to the department of labor and economic opportunity, see E.R.O. No. 2019-3, compiled at MCL 125.1998.

390.771a Act inapplicable to religious college.

Sec. 1a. This act does not apply to a religious college described in section 184a of 1931 PA 327, MCL 450.184a.

History: Add. 2006, Act 421, Imd. Eff. Sept. 29, 2006.

Compiler's note: For transfer of powers and duties regarding non-incorporated privately operated post-secondary institutions from Michigan strategic fund to department of licensing and regulatory affairs, see E.R.O. No. 2012-4, compiled at MCL 125.1994.

For the transfer of powers and duties of the department of licensing and regulatory affairs to the department of labor and economic opportunity, see E.R.O. No. 2019-3, compiled at MCL 125.1998.

390.772 Failure to meet standards; resulting courses of action.

Sec. 2. If such an educational institution fails to meet minimum standards specified by the state department of education, the department may enjoin the institution to meet the requirements within a specified period of time. If the institution fails to do so, the department may take such legal action as it deems necessary to cause the owners or administrators of the institution to refrain from offering any part or all of such educational programs which the department shall have found to be inadequate. It is the intent of this act that such educational institutions shall meet minimum standards equivalent to those for institutions incorporated under the provisions of Act No. 327 of the Public Acts of 1931, as amended.

History: 1964, Act 142, Eff. Aug. 28, 1964;—Am. 1969, Act 167, Imd. Eff. Aug. 5, 1969.

Compiler's note: For transfer of powers and duties regarding non-incorporated privately operated post-secondary institutions from Michigan strategic fund to department of licensing and regulatory affairs, see E.R.O. No. 2012-4, compiled at MCL 125.1994.

For the transfer of powers and duties of the department of licensing and regulatory affairs to the department of labor and economic opportunity, see E.R.O. No. 2019-3, compiled at MCL 125.1998.

ALUMNI ASSOCIATIONS; VOTING BY MAIL
Act 86 of 1905

AN ACT to provide for voting by mail by members of certain alumni associations.

History: 1905, Act 86, Imd. Eff. May 3, 1905.

The People of the State of Michigan enact:

390.791 Graduate organizations; voting by mail.

Sec. 1. Alumni associations or other organizations composed of graduates of any degree-granting educational institution within the state of Michigan and duly authorized to elect trustees or other members of the governing body of their respective institutions, may, and such associations or other organizations are hereby empowered to permit duly qualified members, not present at the time and place appointed for the election of such trustees, to cast their votes in writing under such rules and regulations for the reception, canvass and return of such votes as each such association or organization may adopt.

History: 1905, Act 86, Imd. Eff. May 3, 1905;—CL 1915, 10675;—CL 1929, 8158;—CL 1948, 390.791.

FERRIS STATE UNIVERSITY
Act 114 of 1949

AN ACT to accept on behalf of the people of the state of Michigan the Ferris Institute at Big Rapids; to provide for its continuance as a state institution under the name of Ferris State university; and to create a board of control for Ferris State university, and to prescribe its powers and duties.

History: 1949, Act 114, Eff. Sept. 23, 1949;—Am. 1963, Act 87, Imd. Eff. May 8, 1963;—Am. 1987, Act 157, Imd. Eff. Nov. 5, 1987.

The People of the State of Michigan enact:

390.801 Gift of Ferris Institute accepted; continuation of Ferris Institute as Ferris State University; operation.

Sec. 1. The legislature on behalf of the people of the state of Michigan hereby accepts the gift of the Ferris Institute at Big Rapids, Michigan, together with all properties, real, personal and mixed, owned in connection with the operation of the Ferris Institute. The Ferris Institute shall be continued as a state institution under the name of Ferris State university. As a state institution it shall continue to operate in accordance with the policies and curricula established through the years.

History: 1949, Act 114, Eff. Sept. 23, 1949;—Am. 1963, Act 87, Imd. Eff. May 8, 1963;—Am. 1987, Act 157, Imd. Eff. Nov. 5, 1987.

390.802 Board of control; creation; appointment and terms of members; oath; removal of members; vacancies; board as body corporate; expenses of members; powers of board.

Sec. 2. There is created a board of control for the institution, as a state institution, which shall consist of 8 members to be appointed by the governor, by and with the advice and consent of the senate, for terms of 8 years each, except that of the members first appointed, 2 members shall be appointed for terms of 2 years each, 2 members for terms of 4 years each, 2 members for terms of 6 years each, and 2 members for terms of 8 years each, and the terms of office of the first members of the board shall commence on July 1, 1950. Members of the board shall qualify by taking and filing the constitutional oath of office. Members of the board shall serve until the appointment and qualification of their successors. Members of the board may be removed by the governor for misfeasance, malfeasance, or nonfeasance in office. Vacancies in the board shall be filled by the governor for the unexpired term in like manner as original appointments. The board shall be a body corporate and shall have power to contract and be contracted with. Members of the board shall serve without compensation, but shall be entitled to actual and necessary expenses incurred in performance of official duties. The board shall have control and management of the institution, and is authorized to incur such expenses and to employ such personnel as shall be necessary in carrying out its functions. The board is authorized to accept gifts, grants, or devises of property, real, personal, or mixed, for the benefit of the institution. The board is further authorized and empowered to do any other act or acts necessary in the proper management of the institution as a state institution.

History: 1949, Act 114, Eff. Sept. 23, 1949;—Am. 1963, Act 87, Imd. Eff. May 8, 1963;—Am. 1987, Act 157, Imd. Eff. Nov. 5, 1987.

390.803 Board of control; quorum; conducting business in compliance with MCL 15.261 et seq.; notice of meeting; powers and duties enumerated.

Sec. 3. (1) A majority of the members of the board of control shall constitute a quorum. The business which the board may perform shall be conducted in compliance with Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Public notice of the time, date, and place of the meeting shall be given in the manner required by Act No. 267 of the Public Acts of 1976.

(2) A majority of the members may enact, amend, and repeal rules and bylaws for the conduct of the board's business and for the government of the institution; fix tuition and other fees and charges; appoint or remove personnel as the interests of the institution and the generally accepted principles of academic tenure permit or require; determine compensation to be paid for services and property; confer degrees and grant diplomas usually conferred or granted by other similar institutions; continue to offer vocational and occupational programs of less than 4 years collegiate degree level of the nature established throughout the years and further develop educational opportunities of that nature; receive, hold, and manage a gift, grant, bequest, or devise of funds or property, real or personal, absolutely or in trust, which will promote the purposes of the institution; enter into agreements not inconsistent with this act as may be desirable in the conduct of the board's affairs; and lease or dispose of property which comes into the board's possession, but

the board shall not violate a condition or trust to which the property may be subject. The powers customarily exercised by the governing board of a college or university may be exercised by the board. The enumeration of powers in this section shall not exclude powers not expressly excluded by law.

History: Add. 1963, 2nd Ex. Sess., Act 22, Imd. Eff. Dec. 27, 1963;—Am. 1977, Act 231, Imd. Eff. Nov. 30, 1977.

390.804 Costs incurred in transition and name change.

Sec. 4. (1) The state shall not bear any cost incurred in the transition of Ferris state college to Ferris state university. Costs incurred by the name change shall be borne by the institution from nonstate sources.

(2) A student shall not bear any cost incurred in the transition of Ferris state college to Ferris state university by an increase in either tuition or other student fees. All costs associated with the transition of Ferris state college to Ferris state university and the source from which funds required to effectuate the transition were received shall be reported to the house and senate appropriations committees no later than December 31, 1989.

History: Add. 1987, Act 157, Imd. Eff. Nov. 5, 1987.

FERRIS STATE UNIVERSITY
Act 55 of 1953

AN ACT to authorize the board of control of Ferris state university to borrow money for the purpose of financing the erection and operation of residence halls, housing units, social centers, health residences and facilities, and structures designed for the fostering of athletics, dramatics, music and other similar activities at the university.

History: 1953, Act 55, Imd. Eff. May 8, 1953;—Am. 1959, Act 214, Imd. Eff. July 30, 1959;—Am. 1987, Act 160, Imd. Eff. Nov. 5, 1987.

The People of the State of Michigan enact:

390.821 Board of control; powers.

Sec. 1. The board of control of Ferris state university may do all of the following:

- (a) Acquire, purchase, or erect residence halls and housing units.
- (b) Acquire, purchase, or erect buildings, rooms, and facilities to be used as social centers for the students and faculty members, separate from or combined with residence halls.
- (c) Acquire, purchase, or erect health residences and facilities and furnish, equip, and operate them.
- (d) Acquire, purchase, or erect structures designed for fostering of athletics, dramatics, music, and other similar activities and furnish, equip, and operate them.
- (e) Rent rooms and facilities in residence halls and housing units and provide board to the students, faculty members, guests, and employees at rates that will insure a reasonable excess of income over operation expense.
- (f) Collect from each student a reasonable fee for the use of or maintenance of social centers provided for them under this act.
- (g) Collect from each student a reasonable fee as a part of the student's tuition fee for the services, treatment, and benefits to which the student is entitled from the health service maintained by the institution.
- (h) Collect from each student a reasonable fee for the use of or maintenance of structures designed for the fostering of athletics, dramatics, music, and similar activities provided for students under this act.
- (i) Hold the funds derived from the operation of residence halls and housing units, fees collected for the use of or maintenance of social centers, health residences and facilities, or fees collected for the use of and maintenance of structures designed to foster athletics, dramatics, music, and other similar activities, and spend the funds for repairs, replacements, and betterments, including the payment of indebtedness resulting from the erection or purchase of residence halls and housing units or buildings, rooms and facilities to be used as social centers, for health residences and facilities, or structures designed to foster athletics, dramatics, music, and other similar activities.
- (j) Exercise full control and complete management of residence halls, housing units and social centers, health residences and facilities, and structures designed for the fostering of athletics, dramatics, music, and other similar activities.

History: 1953, Act 55, Imd. Eff. May 8, 1953;—Am. 1959, Act 214, Imd. Eff. July 30, 1959;—Am. 1987, Act 160, Imd. Eff. Nov. 5, 1987.

390.822 Board of control; title to realty.

Sec. 2. The title of all real estate and improvements acquired and erected under the provisions of this act shall be taken and held in the name of the board of control of Ferris institute.

History: 1953, Act 55, Imd. Eff. May 8, 1953;—Am. 1959, Act 214, Imd. Eff. July 30, 1959.

390.823 Board of control; borrowing power.

Sec. 3. In carrying out the above power, the board may borrow money, pledging the rents and income received from the residence halls and housing units in excess of all operating expenses, for the discharge of loans so executed, or pledging the fees charged the students for the use and maintenance of social centers, health residences, and facilities and structures designed for the fostering of athletics, dramatics, music and other similar activities, provided for them under this act and any revenue derived from the operation of the facilities for the discharge of loans so executed. Any obligations issued under the provisions of this act shall contain the provisions of section 4 of this act printed on the face thereof.

History: 1953, Act 55, Imd. Eff. May 8, 1953;—Am. 1959, Act 214, Imd. Eff. July 30, 1959.

390.824 Payment of obligations.

Sec. 4. Obligations assumed under this act shall not be or become a charge against this state, nor become a lien on or secured by any property, real, personal or mixed, of the state or the board of control, but all obligations, including principal and interest, shall be payable solely from all of the following:

(a) The net rents and income obtained from the operation of residence halls and housing units, pledged or otherwise.

(b) Fees charged students for the use of or maintenance of social centers, health residences and facilities, and structures designed for the fostering of athletics, dramatics, music, and other similar activities provided for them under this act.

(c) Gifts and bequests made to the board of control of Ferris state university for the express purpose of financing, partially or completely, the purchase or construction at the university of residence halls, housing units, social centers for students and faculty members, health residences and facilities, and structures designed for the fostering of athletics, dramatics, music, and other similar activities, or for retiring outstanding indebtedness as created under this act.

History: 1953, Act 55, Imd. Eff. May 8, 1953;—Am. 1959, Act 214, Imd. Eff. July 30, 1959;—Am. 1987, Act 160, Imd. Eff. Nov. 5, 1987.

390.825 Bonds; purchase by state unlawful.

Sec. 5. Bonds or obligations issued under the provisions of this act shall not be purchased by the state of Michigan.

History: 1953, Act 55, Imd. Eff. May 8, 1953.

GRAND VALLEY STATE UNIVERSITY
Act 120 of 1960

AN ACT to establish an institution of higher education having authority to grant baccalaureate degrees to be known as Grand Valley state university; to implement the state constitution by providing for the appointment of the board of control, the organization of the board, and the vesting of assets in the board; and to grant and confirm the powers of the board.

History: 1960, Act 120, Eff. Aug. 17, 1960;—Am. 1963, 2nd Ex. Sess., Act 24, Eff. Jan. 1, 1964;—Am. 1970, Act 13, Imd. Eff. Apr. 10, 1970;—Am. 1972, Act 355, Imd. Eff. Jan. 9, 1973;—Am. 1987, Act 156, Imd. Eff. Nov. 5, 1987.

The People of the State of Michigan enact:

390.841 Grand Valley state university; establishment; location; maintenance; equal availability of facilities; powers of board of control.

Sec. 1. (1) There is established a state institution of higher education having authority to grant baccalaureate degrees to be known as Grand Valley state university and located in Allendale township, Ottawa county. The institution shall be maintained by the state and its facilities shall be made equally available and upon the same basis to all qualified residents of this state. The institution shall be governed by a board of control which shall be a body corporate.

(2) In addition to any other powers granted by law, the board has all of the following powers:

- (a) General supervision of the university.
 - (b) Control and direction of all expenditures from the university's funds.
 - (c) The right to sue and be sued.
 - (d) Adoption of a seal and altering of a seal.
- (3) As used in this act, "board" means the board of control of Grand Valley state university.

History: 1960, Act 120, Eff. Aug. 17, 1960;—Am. 1963, 2nd Ex. Sess., Act 24, Eff. Jan. 1, 1964;—Am. 1970, Act 13, Imd. Eff. Apr. 10, 1970;—Am. 1972, Act 355, Imd. Eff. Jan. 9, 1973;—Am. 1987, Act 156, Imd. Eff. Nov. 5, 1987.

390.842 Board of control; members, appointment, terms; president.

Sec. 2. There is established a "board of control", to consist of 8 members to be appointed by the governor with the advice and consent of the senate for terms of 8 years. The president of the institution shall be ex officio a member of the board without the right to vote.

History: 1960, Act 120, Eff. Aug. 17, 1960;—Am. 1963, 2nd Ex. Sess., Act 24, Eff. Jan. 1, 1964.

390.843 Board of control; election and terms of officers; treasurer's bond; vote required for incurring obligations or disposing of property or funds; quorum; conducting business in compliance with MCL 15.261 et seq.; notice of meeting; powers and duties enumerated.

Sec. 3. (1) The board of control may elect 1 member of the board or may designate the president to preside at board meetings. The board shall elect a secretary, a treasurer, and other officers as it considers necessary, none of whom shall be a member of the board. An officer shall serve a term of 1 year and until a successor is elected and qualified. Before permitting the treasurer to enter upon the duties of the office, the board shall require a bond to the people of this state with the sureties and in a sum not less than the amount of money likely to be in the treasurer's possession as the board designates. An officer may not incur obligations or dispose of the board's property or funds, except in pursuance of a vote of the board.

(2) A majority of the members of the board shall form a quorum for the transaction of business. The business which the board may perform shall be conducted in compliance with Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Public notice of the time, date, and place of the meeting shall be given in the manner required by Act No. 267 of the Public Acts of 1976.

(3) The board by majority vote of its membership may enact or amend rules and bylaws, for the conduct of the board's business as provided in subsection (1) and for the government of the institution; fix tuition and other fees and charges; appoint or remove personnel as the interests of the institution and the generally accepted principles of academic tenure permit or require; determine the compensation to be paid for services and materials; confer degrees and grant diplomas as are usually conferred or granted by similar institutions; receive, hold, and manage any gift, grant, bequest, or devise of funds or property, real or personal, absolutely or in trust, to promote the purposes of the institution; enter into agreements, not inconsistent with this act, as may be desirable in the conduct of the board's affairs; and in behalf of the state, lease or dispose of property which comes into the board's possession, if the board does not violate a condition or trust to which the property may be subject. The board may exercise all powers customarily exercised by the governing board of

a college or university and the enumeration of the powers in this section shall not be considered to exclude powers not expressly excluded by law.

History: 1960, Act 120, Eff. Aug. 17, 1960;—Am. 1963, 2nd Ex. Sess., Act 24, Eff. Jan. 1, 1964;—Am. 1977, Act 246, Imd. Eff. Dec. 6, 1977.

390.844 Board of control; borrowing money; acquisition of property; acquisition or construction of facilities; notes or bonds.

Sec. 4. The board shall not borrow money on its general faith and credit, nor create any liens upon its property except as provided. The board may acquire land or acquire or erect buildings, or alter, equip, or maintain them, to be used as residence halls, apartments, dining facilities, student centers, health centers, parking structures, stadiums, athletic fields, gymnasiums, auditoriums, and other educational facilities. After the legislature by concurrent resolution has approved the acquisition or construction of such facilities, the board may borrow money issuing notes or bonds under such terms and provisions as it deems best to finance such facilities, the necessary site or sites, and including, but not limited to, capitalized interest and a debt service reserve in connection with the notes or bonds, with interest, solely out of income and revenues from any such facilities or any other such facilities later acquired, special fees and charges required to be paid by the students considered by the board to be benefited, funds to be received as gifts, grants, or otherwise from the state or federal government or any agency of the state or federal government or any public or private donor, if, prior to issuance of such notes or bonds, the state, federal government, or its agency, or other donor has contracted to pay to the board or to the holder of such notes or bonds definite amounts of money as determined by formula or otherwise, the proceeds of or delivery of any notes or bonds issued, or any combination thereof.

History: 1960, Act 120, Eff. Aug. 17, 1960;—Am. 1966, Act 149, Imd. Eff. June 24, 1966;—Am. 1970, Act 13, Imd. Eff. Apr. 10, 1970;—Am. 1987, Act 156, Imd. Eff. Nov. 5, 1987.

390.845 Legislative intent.

Sec. 5. This act is intended to implement, clarify and confirm in the board the constitutional powers customarily exercised by the board of control of institutions of higher education established by law having authority to grant baccalaureate degrees.

History: Add. 1970, Act 13, Imd. Eff. Apr. 10, 1970.

390.846 Cost of transition or name change.

Sec. 6. (1) The state shall not bear any cost incurred in the transition of Grand Valley state college to Grand Valley state university. Costs incurred by the name change shall be borne by the institution from nonstate sources.

(2) A student shall not bear any cost incurred in the transition of Grand Valley state college to Grand Valley state university by an increase in either tuition or other student fees. All costs associated with the transition of Grand Valley state college to Grand Valley state university and the source from which funds required to effectuate the transition were received shall be reported to the house and senate appropriations committees no later than December 31, 1989.

History: Add. 1987, Act 156, Imd. Eff. Nov. 5, 1987.

UNIVERSITY OF MICHIGAN; TWO-YEAR UNIVERSITY PROGRAMS
Act 63 of 1955

AN ACT making an appropriation to the board of regents of the university of Michigan to be expended in connection with the installation of 2-year university programs in cooperation with the Flint junior college.

History: 1955, Act 63, Imd. Eff. May 20, 1955.

The People of the State of Michigan enact:

390.851 University of Michigan board of regents; temporary appropriation for two-year university programs.

Sec. 1. There is hereby appropriated from the general fund of the state the sum of \$37,000.00 to the regents of the university of Michigan to be expended for completion of program plans and for expenses preliminary to organization of a 2-year university program in cooperation with the Flint junior college.

The regents of the university of Michigan are directed to present to the 1956 session of the legislature completed organizational plans for said college together with a budget covering estimated requirements for the beginning of senior college operations in September of 1956.

History: 1955, Act 63, Imd. Eff. May 20, 1955.

BOARDS OF CONTROL OF STATE INSTITUTIONS OF HIGHER EDUCATION
Act 21 of 1963 (2nd Ex. Sess.)

AN ACT to provide for the names and boards of control of certain state institutions of higher education.

History: 1963, 2nd Ex. Sess., Act 21, Eff. Jan. 1, 1964.

The People of the State of Michigan enact:

390.861 State institutions of higher education; names; boards of control; appointment and terms of members; vacancy.

Sec. 1. The institutions of higher education established in this state and referred to in section 4 of article VIII of the state constitution of 1963 as Michigan college of science and technology, also known as Michigan college of mining and technology, Ferris institute and Grand Valley state college, also known as Ferris state college and Grand Valley college, are continued under the names of Michigan technological university, Ferris state university and Grand Valley state university. Each institution shall be governed by a separate 8-member board of control. The governor shall appoint the board members by and with the advice and consent of the senate for terms of 8 years commencing on January 1, with not more than 2 terms expiring in the same year. If a vacancy occurs other than by the expiration of a term, the governor shall fill the vacancy by appointment by and with the advice and consent of the senate for the remainder of the unexpired term.

History: 1963, 2nd Ex. Sess., Act 21, Eff. Jan. 1, 1964;—Am. 1987, Act 162, Imd. Eff. Nov. 5, 1987.

390.862 Michigan technological university; board of control; terms.

Sec. 2. The successors to the offices of the members of the board of control of Michigan technological university whose terms expire on June 9, 1965, 1967 and 1969 shall be appointed on or after January 1, 1967, 1969 and 1971. Holders of the present terms of office shall continue to exercise their powers and duties until their successors have been appointed and have taken office. The governor shall appoint 2 additional members to this board of control on or after January 1, 1964 for terms expiring on December 31, 1964.

History: 1963, 2nd Ex. Sess., Act 21, Eff. Jan. 1, 1964.

390.863 Ferris state college; board of control; terms.

Sec. 3. The successors to the offices of the members of the board of control of Ferris state college whose terms expire on June 30, 1964, 1966, 1968 and 1970 shall be appointed on or after January 1, 1965, 1967, 1969 and 1971. Holders of the present terms of office shall exercise their powers and duties until their successors have been appointed and have taken office.

History: 1963, 2nd Ex. Sess., Act 21, Eff. Jan. 1, 1964.

390.864 Grand Valley state college; board of control; terms.

Sec. 4. The successors to the offices of the members of the board of control of Grand Valley state college whose terms expire on August 16, 1964, 1966 and 1968 shall be appointed for 8-year terms. The successors to the 2 terms expiring on August 16, 1964, shall be appointed on or after January 1, 1965 for terms commencing on January 1, 1965. The successors to 2 of the 3 terms expiring on August 16, 1966, shall be appointed on or after January 1, 1967 for terms commencing on January 1, 1967, and the successor to the third term shall be appointed on or after January 1, 1971 for a term commencing on January 1, 1971. The successors to 2 of the 3 terms expiring on August 16, 1968, shall be appointed on or after January 1, 1969 for terms commencing on January 1, 1969, and the successor to the third term shall be appointed on or after January 1, 1971 for a term commencing on January 1, 1971. Holders of the present terms of office shall continue to exercise their powers and duties until their successors have been appointed and have taken office. Where terms of office for 3 members expire at the same time, but the successors are to be appointed under this section at different times, the governor shall determine which board members shall continue in office for the different extended terms.

History: 1963, 2nd Ex. Sess., Act 21, Eff. Jan. 1, 1964.

390.865 Appointments; advice and consent of senate.

Sec. 5. All appointments under this act shall be made by and with the advice and consent of the senate.

History: 1963, 2nd Ex. Sess., Act 21, Eff. Jan. 1, 1964.

390.866 Effective date of act.

Sec. 6. This act shall take effect on January 1, 1964.

History: 1963, 2nd Ex. Sess., Act 21, Eff. Jan. 1, 1964.

COMMUNITY COLLEGE DISTRICTS
Act 188 of 1955

390.871-390.883 Repealed. 1966, Act 331, Eff. Oct. 1, 1966.

TRAFFIC ORDINANCES AT STATE UNIVERSITIES AND COLLEGES
Act 291 of 1967

AN ACT to authorize state universities and colleges to enact parking, traffic and pedestrian ordinances and to provide for the enforcement of the ordinances; and to dispose of fines collected.

History: 1967, Act 291, Imd. Eff. Aug. 1, 1967.

The People of the State of Michigan enact:

390.891 Parking, traffic, and pedestrian ordinances; violation as misdemeanor or civil infraction; enforcement; persons authorized to issue and serve citations for persons with disabilities ordinance violations; conformity with uniform traffic code.

Sec. 1. The governing boards of state universities and colleges may each enact parking, traffic, and pedestrian ordinances for the government and control of their respective campuses. If an ordinance is enacted, the governing board shall specify whether a particular violation is a misdemeanor or a civil infraction. Enforcement of the ordinance shall be by law enforcement officers of this state or the county, township, or city where the violation of the ordinance occurs. The governing board of a state university or college may authorize a person other than a law enforcement officer to issue and serve a citation for a violation of the ordinance pertaining to parking for persons with disabilities if the governing board complies with the requirements of section 675d of the Michigan vehicle code, 1949 PA 300, MCL 257.675d. The ordinance shall be in substantial conformity with the uniform traffic code promulgated pursuant to 1956 PA 62, MCL 257.951 to 257.954.

History: 1967, Act 291, Imd. Eff. Aug. 1, 1967;—Am. 1978, Act 515, Eff. Aug. 1, 1979;—Am. 1992, Act 229, Imd. Eff. Oct. 16, 1992;—Am. 1998, Act 441, Imd. Eff. Dec. 30, 1998.

390.892 Violation as misdemeanor; penalty; enforcement; disposition of fines and costs.

Sec. 2. If violation of a particular provision of the ordinance is designated a misdemeanor pursuant to section 1, that violation is punishable by a fine of not to exceed \$25.00 for each violation and may be enforced in any court having jurisdiction and venue over misdemeanors in the political subdivision where the violation occurs. Fines collected by the court for these ordinance violations shall be paid to the treasurer of the political subdivision in which the offense is tried within 30 days after collection, and costs shall be handled in the same manner as provided for costs imposed for violation of misdemeanors under state statutes.

History: 1967, Act 291, Imd. Eff. Aug. 1, 1967;—Am. 1978, Act 515, Eff. Aug. 1, 1979.

390.892a Violation as civil infraction; civil fines; limitation; conflict with act; misdemeanor penalty prohibited; processing of violation.

Sec. 2a. (1) The governing board of a state university or college that enacts an ordinance under section 1 may establish a civil fine for any violation of the ordinance designated as a civil infraction by the governing board.

(2) If a civil infraction included in an ordinance enacted by the governing board of a state university or college under section 1 substantially corresponds to a provision of the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923, a civil fine established by the governing board for that infraction shall not exceed the maximum civil fine for the substantially corresponding provision of that act described in section 907 of the Michigan vehicle code, 1949 PA 300, MCL 257.907. A civil fine in excess of the amount prescribed in section 907 of the Michigan vehicle code, 1949 PA 300, MCL 257.907, is in conflict with that act and is void to the extent of the conflict.

(3) An ordinance enacted under section 1 shall not impose a misdemeanor penalty for an act or omission that is a civil infraction under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923.

(4) Except as provided in section 3, the violation of a provision designated as a civil infraction in an ordinance enacted under section 1 shall be processed in the same manner as a civil infraction under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923.

History: Add. 1978, Act 515, Eff. Aug. 1, 1979;—Am. 1979, Act 56, Eff. Aug. 1, 1979;—Am. 1991, Act 42, Eff. Sept. 1, 1991;—Am. 1998, Act 441, Imd. Eff. Dec. 30, 1998;—Am. 2010, Act 262, Imd. Eff. Dec. 14, 2010.

390.893 Parking violations bureau; establishment; purpose; operating expense.

Sec. 3. The governing board of a state university or college may establish a parking violations bureau as an exclusive agency to accept admissions of responsibility in cases of violation of any university or college parking ordinance and to collect and retain fines and costs as prescribed in the ordinance if the violation is

designated a civil infraction. The expense of operating the bureau shall be borne by the governing board and the personnel of the bureau shall be university or college employees.

History: Add. 1972, Act 372, Imd. Eff. Jan. 9, 1973;—Am. 1978, Act 515, Eff. Aug. 1, 1979.

JUNIOR AND COMMUNITY COLLEGE PROGRAMS
Act 259 of 1955

AN ACT to aid in the sound development of junior and community college programs maintained by public school districts and to provide for the appropriation of moneys from the state general fund in furtherance of this objective.

History: 1955, Act 259, Imd. Eff. June 29, 1955.

The People of the State of Michigan enact:

390.901 Junior and community college programs; development.

Sec. 1. It is declared to be the policy of the state to further the development of approved junior and community colleges to supplement existing state supported colleges and universities in providing educational programs and facilities for the first 2 years of college study.

History: 1955, Act 259, Imd. Eff. June 29, 1955.

390.902 Junior and community college funds; distribution to public school districts.

Sec. 2. The public school districts entitled to any distribution hereunder shall include those public school districts which now maintain an approved junior college, community college, or university, and those public school districts which may hereafter secure the approval of the state superintendent of public instruction with the advice and counsel of the state board of education for the establishment of such a college.

History: 1955, Act 259, Imd. Eff. June 29, 1955.

390.903 Junior and community college funds; enrollment unit, maximum apportionment.

Sec. 3. The money herein appropriated shall be distributed by the superintendent of public instruction to public school districts maintaining an approved college or a university upon the basis of their enrollments in junior or community college credit courses. The enrollment unit shall be a full time program for an academic year. Part time and shorter periods of enrollments shall be equated to this unit. No distribution under the terms of this act, when added to any other funds received by the public school district from the state for maintaining such college credit courses shall be made in excess of \$190.00 per full and equated enrollment nor 1/2 of the total operational costs excluding capital outlay and debt service.

History: 1955, Act 259, Imd. Eff. June 29, 1955;—Am. 1956, Act 156, Imd. Eff. Apr. 16, 1956.

390.904 Junior and community college programs; appropriation; pro rata reduction.

Sec. 4. For the fiscal year commencing July 1, 1956, there is hereby appropriated from the general fund the sum of \$1,935,000.00 for distribution in accordance herewith. Should the amount appropriated be inadequate to meet the distribution provided for herein, the amount received by each school district shall be reduced proportionately.

History: 1955, Act 259, Imd. Eff. June 29, 1955;—Am. 1956, Act 156, Imd. Eff. Apr. 16, 1956.

STATE BOARD FOR PUBLIC COMMUNITY AND JUNIOR COLLEGES
Act 193 of 1964

AN ACT to create the state board for public community and junior colleges; and to provide for its organization and functions.

History: 1964, Act 193, Imd. Eff. Jan. 1, 1965.

The People of the State of Michigan enact:

390.911 State board for public community and junior colleges; creation; membership, appointment, terms, vacancy.

Sec. 1. The state board for public community and junior colleges is created and consists of 8 members. The state board of education shall appoint the members who shall hold office for terms of 8 years commencing on February 1, 1965, except that of the members first appointed, 2 members each shall be appointed for terms of 2, 4, 6 and 8 years. The state board of education shall fill a vacancy on the board for the unexpired term. The superintendent of public instruction shall be ex officio a member of the board without the right to vote.

History: 1964, Act 193, Imd. Eff. Jan. 1, 1965.

Transfer of powers: See MCL 16.410.

390.912 State board for public community and junior colleges; oath, meeting, organization; officers.

Sec. 2. The members of the state board for public community and junior colleges shall take the constitutional oath of office. As soon as convenient after the first members of the board are appointed they shall meet and organize by electing from their number a chairman, a secretary and such other officers as the board desires which officers shall be elected annually.

History: 1964, Act 193, Imd. Eff. Jan. 1, 1965.

390.913 State board for public community and junior colleges; quorum.

Sec. 3. A majority of the members of the state board for public community and junior colleges shall constitute a quorum. The board may transact all necessary business at any meeting at which a quorum is present.

History: 1964, Act 193, Imd. Eff. Jan. 1, 1965.

390.913a State board for public community and junior colleges; conducting business in compliance with MCL 15.261 et seq.; notice of meeting.

Sec. 3a. The business which the state board for public community and junior colleges may perform shall be conducted in compliance with Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Public notice of the time, date, and place of the meeting shall be given in the manner required by Act No. 267 of the Public Acts of 1976.

History: Add. 1977, Act 232, Imd. Eff. Nov. 30, 1977.

390.914 State board for public community and junior colleges; compensation, expenses, accounting, offices.

Sec. 4. The officers and members of the state board for public community and junior colleges shall receive compensation for their actual services in amounts fixed by the legislature and also their necessary expenses to be paid by the state treasurer out of the general fund in accordance with general accounting practices of the department of administration. The department of administration shall furnish suitable offices for the board.

History: 1964, Act 193, Imd. Eff. Jan. 1, 1965.

390.915 State board for public community and junior colleges; general supervision and planning, appropriations.

Sec. 5. The state board for public community and junior colleges, at least once each year, shall advise the state board of education concerning general supervision and planning for such colleges and requests for annual appropriations for their support.

History: 1964, Act 193, Imd. Eff. Jan. 1, 1965.

390.916 Effective date of act.

Sec. 6. This act shall take effect on January 1, 1965.

History: 1964, Act 193, Imd. Eff. Jan. 1, 1965.

HIGHER EDUCATION FACILITIES AUTHORITY ACT
Act 295 of 1969

AN ACT to establish the Michigan higher education facilities authority; to prescribe its powers and duties; to authorize the authority to borrow money and issue bonds for educational facilities; to exempt the bonds from taxation; and to authorize the authority to lend money to nonprofit educational institutions in this state to finance or refinance capital improvements.

History: 1969, Act 295, Imd. Eff. Aug. 11, 1969;—Am. 1973, Act 50, Imd. Eff. July 11, 1973;—Am. 1975, Act 305, Imd. Eff. Dec. 22, 1975;—Am. 1982, Act 409, Imd. Eff. Dec. 28, 1982.

The People of the State of Michigan enact:

390.921 Higher education facilities authority act; short title.

Sec. 1. This act shall be known and may be cited as the "higher education facilities authority act".

History: 1969, Act 295, Imd. Eff. Aug. 11, 1969.

Compiler's note: For transfer of Higher Education Facilities Authority from the Department of Education to the Department of Treasury, see E.R.O. No. 1992-2, compiled at MCL 390.940 of the Michigan Compiled Laws.

390.921a Legislative determination.

Sec. 1a. It is hereby determined that there exists in this state a need for the financing of educational facilities at private or nonpublic, nonprofit institutions of higher learning so as to maintain and further the educational capabilities of these institutions. It is further determined that it is a valid public purpose to lend money to or participate in the lending of money to these educational institutions for the acquisition or alteration of, or energy efficiency improvements to, educational facilities within this state. It is further determined that the authority and powers conferred by this act constitute a necessary program and serve a valid public purpose.

History: Add. 1975, Act 305, Imd. Eff. Dec. 22, 1975;—Am. 1982, Act 409, Imd. Eff. Dec. 28, 1982.

390.922 Definitions.

Sec. 2. As used in this act:

(a) "Authority" means the Michigan higher education facilities authority created by this act.

(b) "Institution for higher learning" or "institution" means a private or nonpublic, nonprofit educational institution within the state authorized by law to provide a program of education beyond the high school level.

(c) "Educational facility" means a structure available for use as a dormitory or other housing facility, including housing facilities for students, a dining hall, student union, administration building, academic building, library, laboratory, research facility, classroom, athletic facility, health care facility, and maintenance, storage, or utility facility, and other structures or facilities related thereto or required or useful for the instruction of students or the conducting of research or the operation of an institution for higher education, including parking and other facilities or structures essential or convenient for the orderly conduct of the institution for higher education, and shall include lands and interests in lands and landscaping, site preparation, furniture, equipment, machinery, and other similar items necessary or convenient for the operation of a particular facility or structure in the manner for which its use is intended, and any improvements necessary to a particular facility to make the facility more energy efficient. Educational facility does not include items as books, fuel, supplies, or other items the costs of which are customarily deemed to result in a current operating charge and does not include any facility used or to be used for sectarian instruction or as a place of religious worship, nor a facility which is used or to be used primarily in connection with a part of the program of a school or department of divinity for a religious denomination.

(d) "Bond" includes a note or other obligation issued by the authority for borrowed money, including refunding bonds.

(e) "Educational loan" means a loan made by the authority to an institution.

History: 1969, Act 295, Imd. Eff. Aug. 11, 1969;—Am. 1971, Act 56, Eff. Mar. 30, 1972;—Am. 1972, Act 306, Eff. Mar. 30, 1973;—Am. 1975, Act 305, Imd. Eff. Dec. 22, 1975;—Am. 1982, Act 409, Imd. Eff. Dec. 28, 1982.

390.923 Michigan higher education facilities authority; creation; nature; members; exercise of powers, duties, and functions.

Sec. 3. A public body corporate and politic is created as an agency and instrumentality of the state within the department of education to be known as the "Michigan higher education facilities authority". The authority shall consist of the members of the state higher education facilities commission created by Act No.

233 of the Public Acts of 1964, as amended, being sections 390.941 to 390.948 of the Michigan Compiled Laws. The authority shall exercise its prescribed statutory powers, duties, and functions independently of the head of that department.

History: 1969, Act 295, Imd. Eff. Aug. 11, 1969;—Am. 1971, Act 56, Eff. Mar. 30, 1972;—Am. 1975, Act 305, Imd. Eff. Dec. 22, 1975;—Am. 1982, Act 409, Imd. Eff. Dec. 28, 1982.

Compiler's note: For transfer of Higher Education Facilities Authority from the Department of Education to the Department of Treasury, see E.R.O. No. 1992-2, compiled at MCL 390.940 of the Michigan Compiled Laws.

For consolidation of administrative staff of Michigan higher education assistance authority, Michigan higher education facilities authority, Michigan higher education student loan authority, Michigan municipal bond authority, and state hospital finance authority, and for transfer of certain functions to state treasurer, see E.R.O. No. 2002-8, compiled at MCL 12.193.

For abolishment of governing body of Michigan higher education facilities authority, see E.R.O. No. 2010-2, compiled at MCL 12.194.

390.924 Powers of authority.

Sec. 4. The authority shall have the powers necessary to carry out and effectuate the purposes and provisions of this act, including but not limited to the following powers:

(a) To sue and be sued; to have a seal and alter it at pleasure; to have perpetual succession; to make, execute, and deliver contracts, conveyances, and other instruments necessary to the exercise of its powers; and to make and amend bylaws.

(b) To accept gifts, grants, loans, and other aids from a person, corporation, or governmental agency.

(c) To loan money to educational institutions for the purpose of assisting in the acquisition, construction, alteration, or equipping of educational facilities, including any improvements necessary to make them more energy efficient, and to accept security for money so loaned.

(d) To loan money to educational institutions for the purpose of refunding outstanding obligations issued by the educational institutions for the acquisition, construction, or alteration of educational facilities prior to or after July 11, 1973, whether or not the obligations to be refunded have matured.

(e) To enforce its rights under mortgage, contracts, or agreements, including foreclosure and court actions.

(f) To acquire, hold, and dispose of real or personal property as necessary for the accomplishment of the purpose of this act.

(g) To procure insurance against any loss in connection with its property, assets, or activities.

(h) To borrow money and to issue its bonds, to provide for the rights of the holders of the bonds, and to secure the bonds by mortgage, assignment, or pledge of any or all of its properties, including any part of the security for its educational loans. The state shall not be liable on any bonds of the authority, the bonds shall not be a debt of the state, and each bond shall contain on its face a statement to that effect.

(i) To invest any funds not required for immediate use or disbursement, at its discretion, in obligations of the state or the United States, in obligations the principal and interest of which are guaranteed by the state or the United States, or in certificates of deposit of any bank whose deposits are insured by the federal deposit insurance corporation.

(j) Subject to the provisions of any contract with the holders of its bonds, whenever it considers it necessary or desirable, to consent to the modification, with respect to security, rate of interest, time of payment of interest or principal, or any other term of a bond, mortgage, contract, or agreement of any kind between the authority and any educational institution.

(k) To engage the services of private consultants or contract with any private organization for professional and technical assistance and advice or other services.

(l) To appoint officers, agents, and employees, and to describe their duties and fix their compensation subject to the civil service laws of this state.

(m) To make rules necessary to carry out the purposes of this act.

(n) To solicit grants and contributions from a governmental authority and from the general public.

(o) To agree and comply with conditions attached to federal financial assistance.

(p) To collect fees and charges in connection with its loans, commitments, and servicing, including but not limited to, reimbursements of costs of financing by the authority, service charges, insurance premiums, and a share of the operating expenses of the authority, and to provide for increasing those fees and charges, if necessary, as the authority determines to be reasonable and as approved by the authority.

History: 1969, Act 295, Imd. Eff. Aug. 11, 1969;—Am. 1971, Act 56, Eff. Mar. 30, 1972;—Am. 1973, Act 50, Imd. Eff. July 11, 1973;—Am. 1975, Act 305, Imd. Eff. Dec. 22, 1975;—Am. 1982, Act 409, Imd. Eff. Dec. 28, 1982.

Compiler's note: For consolidation of administrative staff of Michigan higher education assistance authority, Michigan higher education facilities authority, Michigan higher education student loan authority, Michigan municipal bond authority, and state hospital finance authority, and for transfer of certain functions to state treasurer, see E.R.O. No. 2002-8, compiled at MCL 12.193.

390.925 Loans to educational institutions for acquisition, construction, or alteration of educational facilities; conditions.

Sec. 5. (1) The authority may lend money or participate in the lending of money to educational institutions for the acquisition, construction, or alteration of educational facilities. An educational loan for acquisition or alteration shall not be made unless the authority is reasonably satisfied that all of the following conditions exist:

(a) There will be made available to the institution from the loan and other sources all the funds that may be required to complete and pay for the acquisition, construction, or alteration of educational facilities.

(b) The revenues and income generally available and to become available to the institution for allocation to repayment of the loan and interest on the loan when due will be sufficient for repayment.

(c) The facility or alteration is needed, will not result in an unnecessary duplication of existing facilities, and has been well planned.

(d) The facility or alteration is consistent with an orderly development and provision of educational services in the area.

(e) The loan shall not exceed the cost of the acquisition, construction, or alteration of the educational facility and incidental costs related thereto and to the issuance of bonds by the authority to provide funds to make the loan.

(2) The authority may lend money or participate in the lending of money to educational institutions as described in subsection (1) whether the loan is secured or unsecured, if the authority considers the action proper.

History: 1969, Act 295, Imd. Eff. Aug. 11, 1969;—Am. 1972, Act 306, Eff. Mar. 30, 1973;—Am. 1973, Act 50, Imd. Eff. July 11, 1973;—Am. 1975, Act 305, Imd. Eff. Dec. 22, 1975;—Am. 1982, Act 409, Imd. Eff. Dec. 28, 1982.

390.925a Loans to educational institutions for refunding of certain outstanding obligations; conditions.

Sec. 5a. (1) The authority may lend money or participate in the lending of money to educational institutions for the refunding of outstanding obligations issued by educational institutions for the acquisition, construction, or alteration of educational facilities. An educational loan for refunding shall not be made unless the authority is reasonably satisfied that all of the following conditions exist:

(a) There will be made available to the institution from the loan and other sources all the funds that may be required to complete and pay for the acquisition, construction, or alteration of educational facilities.

(b) The revenues and income generally available and to become available to the institution for allocation to repayment of the loan and interest on the loan when due will be sufficient for repayment.

(c) The facility or alteration was needed, has not resulted in unnecessary duplication of existing facilities, and has been well planned.

(d) The facility or alteration is consistent with an orderly development and provision of educational services in the area.

(e) The acquisition, construction, or alteration of the educational facility has been paid and completed.

(f) The outstanding obligations of the educational institution to be refunded constitute a financial hardship to the educational institution, and the refunding of the obligations will enhance the ability of the educational institution to provide educational services.

(g) The loan shall not exceed the amount of principal and accrued interest outstanding with respect to the obligations to be refunded and incidental costs related to the issuance of bonds by the authority to provide funds to make the loan.

(2) The authority may lend money or participate in the lending of money to educational institutions as described in subsection (1) whether the loan is secured or unsecured, if the authority considers the action proper.

History: Add. 1973, Act 50, Imd. Eff. July 11, 1973;—Am. 1975, Act 305, Imd. Eff. Dec. 22, 1975;—Am. 1982, Act 409, Imd. Eff. Dec. 28, 1982.

390.926 Bonds.

Sec. 6. (1) The authority may issue its bonds in the principal amount it considers necessary to provide funds for achieving its purposes under this act, including the making of educational loans, the payment of interest on bonds of the authority during construction, the establishment of reserves to secure the bonds, and all other expenditures of the authority incident to and necessary or convenient to carry out its purposes and powers. The authority may issue refunding bonds whenever it considers refunding expedient, whether the bonds to be refunded have or have not matured. The proceeds of the refunding bonds shall be applied to the purchase, redemption, or payment of the bonds refunded. Except as may otherwise be expressly provided in

the resolution authorizing the bonds, every issue of bonds shall be general obligations of the authority to be satisfied out of any revenues or money or other property of the authority, subject to an agreement with the holders of particular bonds in support of which particular receipts, revenues, security for educational loans, or other property of the authority has been pledged or mortgaged.

(2) Bonds issued by the authority shall be subject to this act and are not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(3) The bonds of the authority shall be authorized by resolution of its members, shall be serial or term bonds, or a combination of serial and term bonds, shall bear the date, and shall mature at the time or times, not exceeding 30 years from date of issue, as the resolution may provide. The bonds shall bear interest at the rate or rates, be in the denominations, be in the form, either coupon, registered, or both, carry the registration privileges, be executed in the manner, be payable in the medium of payment at the place or places, and be subject to the terms of redemption as the resolution or resolutions may provide. The bonds of the authority may be sold by the authority, at public or private sale, at the price or prices as the authority determines.

(4) A pledge made by the authority in connection with the issuance of bonds shall be valid and binding from the time the pledge is made. The money or property pledged and subsequently received by the authority shall immediately be subject to the lien of the pledge without a physical delivery or further act. The lien of the pledge is valid and binding against all parties having claims of any kind in tort, contract, or otherwise against the authority, irrespective of whether those parties have notice of the lien. Neither the resolution nor any other instrument by which a pledge is created need be recorded.

(5) The issuance of bonds and notes under this act is subject to the agency financing reporting act.

(6) For the purpose of more effectively managing its debt service, the authority may enter into an interest rate exchange or swap, hedge, or similar agreement with respect to its bonds or notes on the terms and payable from the sources and with the security, if any, as determined by a resolution of the authority.

History: 1969, Act 295, Imd. Eff. Aug. 11, 1969;—Am. 1975, Act 305, Imd. Eff. Dec. 22, 1975;—Am. 1982, Act 409, Imd. Eff. Dec. 28, 1982;—Am. 2002, Act 546, Imd. Eff. July 26, 2002.

390.927 Pledge to bondholders.

Sec. 7. The state pledges and agrees with the holders of any bonds issued under this act, that the state will not limit or alter the rights vested in the authority to fulfill the terms of any agreements made with the holders thereof, or in any way impair the rights and remedies of the holders until the bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such holders, are fully met and discharged. The authority is authorized to include this pledge and agreement of the state in any agreement with the holders of such bonds.

History: 1969, Act 295, Imd. Eff. Aug. 11, 1969.

390.928 Bonds as investment.

Sec. 8. The bonds of the authority are securities, in which all public officers and bodies of this state and all municipalities and municipal subdivisions, all insurance companies and associations, and other persons carrying on an insurance business, all banks, trust companies, savings banks and savings associations, savings and loan associations, investment companies, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons whatsoever who are authorized to invest in bonds or other obligations of the state, may properly and legally invest funds, including capital, in their control or belonging to them.

History: 1969, Act 295, Imd. Eff. Aug. 11, 1969.

390.929 Payment and deposit of money; contract; security; examination of books and accounts.

Sec. 9. (1) All money of the authority, except as otherwise authorized or provided in this section, shall be paid to the state treasurer as agent of the authority, who shall not commingle the money with any other money. The money shall be deposited in a separate bank account or accounts. The money in the accounts shall be paid out on warrants signed by the state treasurer on requisition of the chairperson of the authority or of such other officer or employee as the authority shall authorize to make the requisition. All deposits of the money shall, if required by the state treasurer or the authority, be secured by obligations of the United States or of the state of a market value equal at all times to the amount of the deposit, and all banks and trust companies are authorized to give the security for the deposits.

(2) Notwithstanding the provisions of this section, the authority, subject to the approval of the state treasurer, may contract with the holders of any of its bonds, as to the custody, collection, securing, investment, and payment of any money of the authority, of any money held in trust or otherwise for the payment of bonds and carry out the contract. Money held in trust or otherwise for the payment of bonds or in

any way to secure bonds and deposits of money may be secured in the same manner as money of the authority, and all banks and trust companies are authorized to give such security for the deposits.

(3) The auditor general, or his or her legally authorized representative, from time to time shall examine the books and accounts of the authority, including its receipts, disbursements, contracts, mortgages, loans, and any other matters relating to its financial standing. Such an examination shall be conducted by the auditor general at least once every year. The auditor general is authorized to accept from the authority, in lieu of such an examination, an external examination of its books and accounts made at the request of the authority.

History: 1969, Act 295, Imd. Eff. Aug. 11, 1969;—Am. 1982, Act 409, Imd. Eff. Dec. 28, 1982.

390.930 Tax exemption.

Sec. 10. The property of the authority and its income and operation shall be exempt from taxation.

History: 1969, Act 295, Imd. Eff. Aug. 11, 1969.

390.931 Bonds; negotiability; tax exemption.

Sec. 11. Bonds issued under this act shall be fully negotiable under the uniform commercial code, 1962 PA 174, MCL 440.1101 to 440.11102, and the bonds and the interest thereon are exempt from all taxation by this state or any of its political subdivisions.

History: 1969, Act 295, Imd. Eff. Aug. 11, 1969;—Am. 2000, Act 356, Eff. Mar. 28, 2001.

390.932 Trustee; appointment; powers and duties.

Sec. 12. (1) If the authority defaults in the payment of principal of or interest on any issue of bonds after the same shall become due, whether at maturity or upon call for redemption, and such default continues for a period of 30 days, or if the authority fails or refuses to comply with the provisions of this act, or defaults in any agreement made with the holders of any issue of bonds, the holders of 25% in aggregate principal amount of the bonds of such issue then outstanding, by instrument or instruments filed in the office of the clerk of the county of Ingham and approved or acknowledged in the same manner as a deed to be recorded, may appoint a trustee to represent the holders of such bonds for the purposes herein provided.

(2) The trustee may, and upon written request of the holders of 25% in principal amount of such bonds then outstanding shall, in his own name, by action or proceeding, enforce all rights of the bondholders, including the right to require the authority to collect fees and charges and interest and amortization payments of mortgage loans made by it adequate to carry out any agreement as to or pledge of, such fees and charges and interest and amortization payments on such mortgages, and other properties and to require the authority to carry out any other agreements with the holders of such bonds and to perform its duties under this act; bring suit upon such bonds; by action, require the authority to account as if it were the trustee of an express trust for the holders of such bonds; by action, enjoin any acts or things which may be unlawful or in violation of the rights of the holders of such bonds; declare all such bonds due and payable, and if all defaults shall be made good, then, with the consent of the holders of 25% of the principal amount of such bonds then outstanding, to annul such declaration and its consequences.

(3) In addition, the holders of bonds and the trustee authorized above, shall have all of the rights to which they may be entitled by virtue of provisions included in the bonds, or otherwise available to them under law.

History: 1969, Act 295, Imd. Eff. Aug. 11, 1969.

390.933 Nondiscrimination covenant.

Sec. 13. The authority shall require that use of educational facilities assisted under this act shall be consistent with the requirements in section 2(c) and shall be open to all regardless of race, religion, color, sex, or national origin, except that there may be restrictions on the basis of sex in the assignment of student living facilities assisted under this act, and that contractors and subcontractors engaged in the construction or alteration of educational facilities assisted under this act shall provide an equal opportunity for employment, without discrimination as to race, religion, color, sex, or national origin. The educational institution to which an educational loan is made shall covenant with the authority that the nondiscrimination provision shall be enforced.

History: 1969, Act 295, Imd. Eff. Aug. 11, 1969;—Am. 1972, Act 306, Eff. Mar. 30, 1973;—Am. 1983, Act 238, Imd. Eff. Dec. 1, 1983.

390.934 Personal liability as to notes or bonds.

Sec. 14. A member of the authority or a person executing the notes or bonds is not personally liable on the notes or bonds or subject to any personal liability or accountability by reason of the issuance or nonissuance thereof.

History: Add. 1972, Act 306, Eff. Mar. 30, 1973.

EXECUTIVE REORGANIZATION ORDER
E.R.O. No. 1992-2

390.940 Transfer of the higher education facilities authority from department of education to department of treasury.

WHEREAS, Article V, Section 2, of the Constitution of the State of Michigan of 1963 empowers the Governor to make changes in the organization of the Executive Branch or in the assignment of functions among its units which he considers necessary for efficient administration; and

WHEREAS, the Higher Education Facilities Authority was created by the Higher Education Facilities Authority Act, Act No. 295 of the Public Acts of 1969, as amended, being Section 390.921 et seq. of the Michigan Compiled Laws, in the Department of Education; and

WHEREAS, the functions, duties and responsibilities assigned to the Higher Education Facilities Authority can be more effectively organized and carried out under the supervision and direction of the State Treasurer as the head of the Department of Treasury; and

WHEREAS, it is necessary in the interests of efficient administration and effectiveness of government to effect changes in the organization of the Executive Branch of government.

NOW, THEREFORE, I, John Engler, Governor of the State of Michigan, pursuant to the powers vested in me by the Constitution of the State of Michigan of 1963 and the laws of the State of Michigan, do hereby order the following:

(1) The Higher Education Facilities Authority, including, but not limited to, bond, note, reserve and trust funds, subject to any agreement with note and bond holders or with the holders or issuers of instruments which may have been guaranteed, is hereby transferred from the Department of Education to the Department of Treasury by a Type I transfer, as defined by Section 3 of Act No. 380 of the Public Acts of 1965, as amended, being Section 16.103 of the Michigan Compiled Laws.

(2) The State Treasurer shall provide executive direction and supervision for the implementation of the transfers. The Higher Education Facilities Authority shall be administered under the direction and supervision of the State Treasurer. All budgeting, procurement and related management functions of the Higher Education Facilities Authority shall be performed under the direction and supervision of the State Treasurer.

(3) All records, personnel, property and unexpended balances of appropriations, allocations and other funds used, held, employed, available or to be made available to the Higher Education Facilities Authority or to the Department of Education for the activities transferred to the Department of Treasury by this Order are hereby transferred to the Department of Treasury.

(4) The State Treasurer shall make internal organizational changes as may be administratively necessary to complete the realignment of responsibilities prescribed by this Order.

(5) The State Treasurer and the Superintendent of Public Education shall immediately initiate coordination to facilitate the transfer and develop a memorandum of record identifying any pending settlements, issues of compliance with applicable federal and State laws and regulations, or other obligations to be resolved by the Higher Education Facilities Authority.

(6) All rules, orders, contracts and agreements relating to the assigned functions lawfully adopted prior to the effective date of this Order shall continue to be effective until revised, amended or repealed.

(7) Any suit, action or other proceeding lawfully commenced by, against or before any entity affected by this Order shall not abate by reason of the taking effect of this Order. Any suit, action or other proceeding may be maintained by, against or before the appropriate successor of any entity affected by this Order.

In fulfillment of the requirement of Article V, Section 2, of the Constitution of the State of Michigan of 1963, the provisions of this Order shall become effective 60 days after the filing of this Order.

History: 1992 E.R.O. No. 1992-2, Eff. May 17, 1992.

Compiler's note: For consolidation of administrative staff of Michigan higher education assistance authority, Michigan higher education facilities authority, Michigan higher education student loan authority, Michigan municipal bond authority, and state hospital finance authority, and for transfer of certain functions to state treasurer, see E.R.O. No. 2002-8, compiled at MCL 12.193.

STATE HIGHER EDUCATION FACILITIES COMMISSION
Act 233 of 1964

AN ACT to establish a state higher education facilities commission and to prescribe its powers and duties.

History: 1964, Act 233, Imd. Eff. May 22, 1964.

The People of the State of Michigan enact:

390.941 State higher education facilities commission; establishment; appointment, qualifications, and terms of members; ex officio members; removal; vacancy; designation of chairperson; conducting business at public meeting; notice; availability of writings to public.

Sec. 1. (1) The state higher education facilities commission is established consisting of 11 members, 9 of whom shall be appointed by the governor with the advice and consent of the senate as follows: 1 member representing public colleges and universities in the state, 1 member representing private colleges and universities in the state, 1 member representing public community colleges and junior colleges in the state, and 6 residents of the state who are interested in higher education but are not officially associated with a public or private university, college, community college, or junior college in the state. The superintendent of public instruction and the director of the department of management and budget shall be ex officio members without vote.

(2) The term of office of the appointed members shall be 4 years and until a successor is appointed and qualified except that of the members first appointed, 3 each shall serve for 2, 3, and 4 years. A member may be removed in the manner provided for by law for removal of public officers. A vacancy shall be filled for the unexpired term in the same manner and for the same class as the original appointment. The governor shall designate 1 of the appointed members as chairperson of the commission.

(3) The business which the state higher education facilities commission may perform shall be conducted at a public meeting of the commission held in compliance with Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Public notice of the time, date, and place of the meeting shall be given in the manner required by Act No. 267 of the Public Acts of 1976.

(4) A writing prepared, owned, used, in the possession of, or retained by the state higher education facilities commission in the performance of an official function shall be made available to the public in compliance with Act No. 442 of the Public Acts of 1976, being sections 15.231 to 15.246 of the Michigan Compiled Laws.

History: 1964, Act 233, Imd. Eff. May 22, 1964;—Am. 1967, Act 101, Imd. Eff. June 21, 1967;—Am. 1978, Act 204, Imd. Eff. June 4, 1978.

Compiler's note: For transfer of powers and duties of state higher education facilities commission to Michigan finance authority, see E.R.O. No. 2010-2, compiled at MCL 124.194.

Transfer of powers: See MCL 16.407.

390.942 State higher education facilities commission; plan for participation in federal grant program.

Sec. 2. The commission shall prepare a state plan for participation in the grant program authorized by the higher education facilities act of 1963, as enacted by the congress of the United States, being Public Law 88-204, 88th Congress, 77 Statutes 363, and amendments thereto, shall submit the state plan to the federal commissioner of education in accordance with appropriate federal law, and shall be responsible for the administration of the plan.

History: 1964, Act 233, Imd. Eff. May 22, 1964.

Compiler's note: For transfer of powers and duties of state higher education facilities commission to Michigan finance authority, see E.R.O. No. 2010-2, compiled at MCL 124.194.

390.943 State higher education facilities commission; expenditure of appropriations.

Sec. 3. The commission may take such action as is necessary to comply fully with the provisions of the higher education facilities act of 1963, and amendments thereto. This act shall not be construed as authorizing the commission to spend or incur any obligation to spend state funds in excess of any amount which may be appropriated for such purpose by the legislature.

History: 1964, Act 233, Imd. Eff. May 22, 1964.

Compiler's note: For transfer of powers and duties of state higher education facilities commission to Michigan finance authority, see E.R.O. No. 2010-2, compiled at MCL 124.194.

390.944 State higher education facilities commission; rules and regulations, hearing; approval of eligible projects.

Sec. 4. The commission shall formulate such rules and regulations as are necessary for the administration of this act, in accordance with the provisions of Act No. 88 of the Public Acts of 1943, as amended, being sections 24.71 to 24.82 of the Compiled Laws of 1948, and subject to the provisions of Act No. 197 of the Public Acts of 1952, as amended, being sections 24.101 to 24.110 of the Compiled Laws of 1948, including the filing of applications by public and private institutions of higher education within the state, for approval of eligible projects for the construction of academic facilities, the determination of relative priorities for eligible projects submitted by public and private institutions of higher education within the state, and for determination of the federal share of the development cost of each such project to be recommended to the commissioner of education. The rules and regulations shall be adopted by the commission only after a public hearing with due notice to interested persons and after interested persons have had a reasonable opportunity to request and obtain copies of proposed rules and regulations prior to the public hearing.

History: 1964, Act 233, Imd. Eff. May 22, 1964.

Compiler's note: For transfer of powers and duties of state higher education facilities commission to Michigan finance authority, see E.R.O. No. 2010-2, compiled at MCL 124.194.

Administrative rules: R 390.961 et seq. of the Michigan Administrative Code.

390.945 State higher education facilities commission; applications for approval, priority, determination of federal share of cost.

Sec. 5. The commission, in accordance with rules and regulations promulgated by it, shall receive applications from public and private institutions of higher education in this state for approval of projects for the construction of academic facilities, shall determine the relative priority of eligible projects for the construction of academic facilities submitted by such institutions and shall determine the federal share of the development cost of each such project for recommendation to the commissioner of education.

History: 1964, Act 233, Imd. Eff. May 22, 1964.

Compiler's note: For transfer of powers and duties of state higher education facilities commission to Michigan finance authority, see E.R.O. No. 2010-2, compiled at MCL 124.194.

390.946 State higher education facilities commission; hearing, eligibility of project, priority, determination as to federal grant.

Sec. 6. The commission, upon request of an applicant who has submitted to the commission a project, shall provide an opportunity for a fair hearing as to the eligibility of the project, the priority assigned to the project, the determination by the commission of the federal grant for the project, or any other determination of the commission affecting such applicant.

History: 1964, Act 233, Imd. Eff. May 22, 1964.

Compiler's note: For transfer of powers and duties of state higher education facilities commission to Michigan finance authority, see E.R.O. No. 2010-2, compiled at MCL 124.194.

390.947 State higher education facilities commission; gifts.

Sec. 7. The commission may receive gifts, grants, bequests, devises, moneys or properties, real, personal or mixed, to carry out the purposes of this act.

History: 1964, Act 233, Imd. Eff. May 22, 1964.

Compiler's note: For transfer of powers and duties of state higher education facilities commission to Michigan finance authority, see E.R.O. No. 2010-2, compiled at MCL 124.194.

390.948 State higher education facilities commission; annual report, contents.

Sec. 8. The commission shall make an annual report to the governor and to the legislature as to the administration of this act, which shall contain an explicit statement of the determination of the relative priority of each application and the determination of the federal share of the development cost of each project.

History: 1964, Act 233, Imd. Eff. May 22, 1964.

Compiler's note: For transfer of powers and duties of state higher education facilities commission to Michigan finance authority, see E.R.O. No. 2010-2, compiled at MCL 124.194.

MICHIGAN HIGHER EDUCATION ASSISTANCE AUTHORITY
Act 77 of 1960

AN ACT to create the Michigan higher education assistance authority and to prescribe its powers and duties; to authorize persons, corporations, and associations to make gifts to the authority; to prescribe the powers and duties of certain state officials; to authorize, ratify, and confirm certain guarantees of students' loans and authorize reguarantees; to authorize, ratify, and confirm certain guarantees of loans made to parents of students; to validate certain prior appropriations; and to authorize the transfer of certain appropriations to be transferred to and administered by the authority.

History: 1960, Act 77, Imd. Eff. Apr. 25, 1960;—Am. 1974, Act 19, Imd. Eff. Feb. 15, 1974;—Am. 1981, Act 29, Eff. July 1, 1981;—Am. 1989, Act 128, Imd. Eff. June 28, 1989.

The People of the State of Michigan enact:

390.951 Michigan higher education assistance authority; creation.

Sec. 1. There is created a nonprofit authority as an agency in the department of education, to be known as the "Michigan higher education assistance authority". The authority may contract and be contracted with, sue and be sued, implead and be impleaded, and complain and defend in all courts of law and equity. The authority shall exercise its powers as an autonomous entity, independent of the director of the department of education.

History: 1960, Act 77, Imd. Eff. Apr. 25, 1960;—Am. 1989, Act 128, Imd. Eff. June 28, 1989.

Compiler's note: For transfer of authority, powers, duties, functions, and responsibilities of the Michigan higher education assistance authority, the Michigan higher education student loan authority, and the office of student financial assistance services in the department of education to the department of treasury, see E.R.O. No. 1995-2, compiled at MCL 12.181 of the Michigan Compiled Laws.

For consolidation of administrative staff of Michigan higher education assistance authority, Michigan higher education facilities authority, Michigan higher education student loan authority, Michigan municipal bond authority, and state hospital finance authority, and for transfer of certain functions to state treasurer, see E.R.O. No. 2002-8, compiled at MCL 12.193.

For transfer of certain powers and duties of Michigan higher assistance authority not transferred to department of treasury to Michigan finance authority, see E.R.O. No. 2010-2, compiled at MCL 12.194.

Transfer of powers: See MCL 16.408.

390.952 Appointment and qualifications of members of authority.

Sec. 2. The authority shall consist of the superintendent of public instruction, ex officio, who shall be chairman, 2 representatives from private colleges located within this state, 2 representatives from community colleges located within this state, 1 representative each from the university of Michigan, Michigan state university, and Wayne state university, 2 representatives from all other state supported 4-year colleges and universities within the state, 1 representative from the secondary schools of the state, 1 representative from an eligible lending institution of the state, 1 representative from the private occupational schools within the state, and 3 representatives from the citizens of the state chosen for their interest in higher education but not employed by, professionally affiliated with, or on the governing body of a college, university, or public high school of this state, to be appointed by the governor with the advice and consent of the senate.

History: 1960, Act 77, Imd. Eff. Apr. 25, 1960;—Am. 1964, Act 218, Imd. Eff. May 22, 1964;—Am. 1968, Act 42, Eff. Nov. 15, 1968;—Am. 1976, Act 406, Imd. Eff. Jan. 9, 1977.

Compiler's note: For replacement of the superintendent of public instruction as an ex officio member and chairperson of the Michigan higher education assistance authority and the Michigan higher education student loan authority by the state treasurer, see E.R.O. No. 1995-2, compiled at MCL 12.181 of the Michigan Compiled Laws.

390.953 Higher education assistance authority; term of office, removal.

Sec. 3. The terms of office of the members of the authority shall be 4 years, and they shall hold office until the appointment and qualification of their successors, except that the original members shall be appointed in such manner as to provide for the expiration each year of the terms of one-fourth of the members. The governor may remove any member for misfeasance, malfeasance or nonfeasance in office, after hearing.

History: 1960, Act 77, Imd. Eff. Apr. 25, 1960.

390.954 Higher education assistance authority; vacancies, appointment, removal.

Sec. 4. The governor shall fill any vacancy for the balance of the unexpired term by the appointment of a person with the same status as the predecessor of the appointee. The governor may remove any appointee for misfeasance, malfeasance or nonfeasance in office, after hearing.

History: 1960, Act 77, Imd. Eff. Apr. 25, 1960.

390.955 Quorum; rules.

Sec. 5. A quorum for the transaction of business shall consist of a majority of the members of the authority, and a quorum may bind the authority. The authority shall promulgate rules to implement this act pursuant to Act No. 306 of the Public Acts of 1969, as amended, being sections 24.201 to 24.315 of the Michigan Compiled Laws.

History: 1960, Act 77, Imd. Eff. Apr. 25, 1960;—Am. 1974, Act 19, Imd. Eff. Feb. 15, 1974;—Am. 1976, Act 406, Imd. Eff. Jan. 9, 1977.

Administrative rules: R 390.1401 et seq. of the Michigan Administrative Code.

390.955a Conducting business at public meeting; notice.

Sec. 5a. The business which the authority may perform shall be conducted at a public meeting of the authority held in compliance with Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Public notice of the time, date, and place of the meeting shall be given in the manner required by Act No. 267 of the Public Acts of 1976.

History: Add. 1978, Act 207, Imd. Eff. June 4, 1978.

390.956 Higher education assistance authority; compensation, expenses.

Sec. 6. No member of the authority shall receive any compensation for his services, but the authority may reimburse each member for expenses necessarily incurred in the performance of his duties.

History: 1960, Act 77, Imd. Eff. Apr. 25, 1960.

390.957 Powers of authority.

Sec. 7. The authority may:

(a) Guarantee 100% of the principal and interest of a loan of money, upon the terms and conditions as it prescribes, to a person attending or accepted to attend an eligible postsecondary educational institution to assist the person in meeting his or her expenses of postsecondary education incurred in any academic year or to a parent of a person who meets the requirements for a loan as determined by the authority.

(b) Take, hold, and administer real, personal, or mixed property and money, or any interest in property or money, and the income from the property, either absolutely or in trust, for a purpose of this act. The authority may acquire property for this purpose by purchase or lease and by the acceptance of gifts, grants, bequests, devises, money, or loans. An obligation incurred under this act shall not be a debt of the state.

(c) Enter into contracts with an eligible lender or with a public or private postsecondary educational institution, upon the terms as may be agreed upon between the authority and an institution, to provide for the administration by an institution of a loan, or guarantee of a loan, made by the authority, including applications for a loan and repayment of a loan.

(d) Competitively contract for services, including consulting services as needed to carry out the purposes of this act.

(e) Enter into an agreement with a group life insurance carrier to insure each person receiving a guaranteed loan under the program.

(f) Require a person receiving a guaranteed loan to remit a fee which may include the payment of a group life insurance premium.

(g) Receive state appropriations for the guaranty fund of the loan program to be used to match deposits and to accept contributions received by the authority for this purpose.

(h) Administer a state scholarship program according to the law and rules promulgated by the authority.

(i) Administer an undergraduate scholar awards program according to the law and rules promulgated by the authority.

(j) Receive funds from the federal government to assist in implementing federally supported programs administered under this act.

(k) Administer an incentive awards program according to rules promulgated by the authority.

History: 1960, Act 77, Imd. Eff. Apr. 25, 1960;—Am. 1964, Act 218, Imd. Eff. May 22, 1964;—Am. 1965, Act 276, Imd. Eff. July 21, 1965;—Am. 1966, Act 60, Imd. Eff. June 9, 1966;—Am. 1968, Act 42, Eff. Nov. 15, 1968;—Am. 1969, Act 302, Imd. Eff. Aug. 11, 1969;—Am. 1974, Act 19, Imd. Eff. Feb. 15, 1974;—Am. 1976, Act 406, Imd. Eff. Jan. 9, 1977;—Am. 1981, Act 29, Eff. July 1, 1981;—Am. 1989, Act 128, Imd. Eff. June 28, 1989;—Am. 1990, Act 117, Imd. Eff. June 22, 1990.

Compiler's note: For consolidation of administrative staff of Michigan higher education assistance authority, Michigan higher education facilities authority, Michigan higher education student loan authority, Michigan municipal bond authority, and state hospital finance authority, and for transfer of certain functions to state treasurer, see E.R.O. No. 2002-8, compiled at MCL 12.193.

Administrative rules: R 390.871 et seq. and R 390.1551 et seq. of the Michigan Administrative Code.

390.957a Repealed. 2006, Act 425, Eff. Oct. 1, 2007.

Compiler's note: The repealed section pertained to use of money from Michigan guaranty agency's operating fund for the state competitive scholarship program.

390.957b Repealed. 2008, Act 103, Eff. Oct. 1, 2008.

Compiler's note: The repealed section pertained to use of money from Michigan guaranty agency's operating fund for state competitive scholarship program.

390.958 Loans to minors.

Sec. 8. Any person otherwise qualifying for a loan shall not be disqualified to receive a loan guaranteed by the authority by reason of his being a minor. For the purpose of applying for, receiving and repaying a loan, any person shall be deemed to have full legal capacity to act and shall have all the rights, powers, privileges and obligations of a person of full age with respect thereto.

History: 1960, Act 77, Imd. Eff. Apr. 25, 1960;—Am. 1972, Act 26, Imd. Eff. Feb. 19, 1972.

390.959 Higher education assistance authority; gift tax, deductible.

Sec. 9. Notwithstanding the provisions of any general or special law or the provisions of any certificate of incorporation, charter or other articles of organization, all domestic corporations or associations organized for the purpose of carrying on business in this state, and any person, may make contributions or gifts, grants, bequests, devises or loans to the authority. The value of gifts, grants, bequests, devises and all contributions shall be allowed as deductions in computing the net taxable income of any person, corporation or association for purposes of any income or franchise tax imposed by the state or any political subdivision thereof.

History: 1960, Act 77, Imd. Eff. Apr. 25, 1960.

390.960 Supervision and examination of authority; authority not banking organization; annual report.

Sec. 10. The authority is subject to the supervision and examination of the commissioner of the financial institutions bureau of the department of commerce. However, the authority is not considered to be a banking organization and is not required to pay a fee for the supervision or examination. The authority shall make an annual report of its condition to the governor and the legislature within 60 days after the legislature convenes.

History: 1960, Act 77, Imd. Eff. Apr. 25, 1960;—Am. 1989, Act 128, Imd. Eff. June 28, 1989.

390.961 Guarantees of loans; appropriations to guaranty fund; guarantees of parent loans; authorization, ratification, and confirmation.

Sec. 11. (1) All guarantees of loans by the state department of education pursuant to this act made before February 15, 1974 are considered to have been made by the department for the authority and are authorized, ratified, and confirmed. If the authority is requested by any holder of such a guarantee to reissue the guarantee in its own name, it shall do so. All state appropriations to the guaranty fund of the loan program administered by the state department of education pursuant to this act made before February 15, 1974 are authorized, ratified, and confirmed, and any money in or investments of the guaranty fund of the loan program after that date shall be transferred to and administered, disbursed, and reported on by the authority in accordance with this act.

(2) All guarantees of parent loans by the authority pursuant to section 428d of part B of title IV of Public Law 89-329, 20 U.S.C. 1078-2, are authorized, ratified, and confirmed.

History: Add. 1974, Act 19, Imd. Eff. Feb. 15, 1974;—Am. 1990, Act 117, Imd. Eff. June 22, 1990.

STATE COMPETITIVE SCHOLARSHIPS Act 208 of 1964

AN ACT to grant scholarships to students enrolled in postsecondary education institutions; and to provide for the administration of the scholarship program.

History: 1964, Act 208, Imd. Eff. May 22, 1964;—Am. 1979, Act 48, Imd. Eff. July 7, 1979.

The People of the State of Michigan enact:

390.971 State competitive scholarships; establishment; purpose.

Sec. 1. State competitive scholarships are established by the state to foster the pursuit of postsecondary education and awarded to students showing promise of satisfactory completion of postsecondary study through competitive examinations and a continued satisfactory academic record in a course of study in an eligible postsecondary institution in this state.

History: 1964, Act 208, Imd. Eff. May 22, 1964;—Am. 1979, Act 48, Imd. Eff. July 7, 1979.

Compiler's note: For transfer of authority, powers, duties, functions, and responsibilities of the Michigan higher education assistance authority, the Michigan higher education student loan authority, and the office of student financial assistance services in the department of education to the department of treasury, see E.R.O. No. 1995-2, compiled at MCL 12.181 of the Michigan Compiled Laws.

For transfer of powers and duties of Michigan higher education assistance authority to department of treasury, see E.R.O. No. 2010-2, compiled at MCL 124.194.

390.972 State competitive scholarships; administration of program.

Sec. 2. The administration of this scholarship program shall rest with the higher education assistance authority created by Act No. 77 of the Public Acts of 1960, being sections 390.951 to 390.960 of the Compiled Laws of 1948.

History: 1964, Act 208, Imd. Eff. May 22, 1964.

Compiler's note: For transfer of authority, powers, duties, functions, and responsibilities of the Michigan higher education assistance authority, the Michigan higher education student loan authority, and the office of student financial assistance services in the department of education to the department of treasury, see E.R.O. No. 1995-2, compiled at MCL 12.181 of the Michigan Compiled Laws.

For transfer of powers and duties of Michigan higher education assistance authority to department of treasury, see E.R.O. No. 2010-2, compiled at MCL 124.194.

390.973 Competitive examinations; qualifying scores; scholastic achievement; certificates of recognition; renewal of scholarships; rules; exception for 2021-2022 academic year.

Sec. 3. (1) Subject to subsection (4), the authority shall conduct a competitive examination among eligible applicants for state competitive scholarships at times and places as determined by the authority. The authority may designate a competitive examination to be administered among eligible applicants for state competitive scholarships. The authority shall annually establish the examination scores necessary to qualify for the competitive scholarship according to the funding available to meet the award levels established pursuant to section 6.

(2) The authority may also use scholastic achievement in determining award winners and shall issue appropriate certificates of recognition to individuals awarded scholarships. The authority shall grant annual renewal of scholarships.

(3) The authority shall promulgate rules to implement this act pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, including rules for the conduct of examinations for the award of scholarships, for the procedures for the awarding of annual renewal scholarships, and for the purpose of defining postsecondary institutions under this act.

(4) Notwithstanding any provision of this act or rule to the contrary, scholastic achievement, including, but not limited to, grade point average, class rank, or other measure of academic success as determined by the authority, may be used as an alternative to a competitive examination to determine eligibility for scholarships awarded under this act for the 2021-2022 academic year.

History: 1964, Act 208, Imd. Eff. May 22, 1964;—Am. 1966, Act 103, Imd. Eff. June 22, 1966;—Am. 1979, Act 48, Imd. Eff. July 7, 1979;—Am. 1980, Act 500, Eff. July 1, 1981;—Am. 2021, Act 40, Imd. Eff. July 1, 2021.

Administrative rules: R 390.1551 et seq. of the Michigan Administrative Code.

390.974 Eligibility of applicant for award of first-year scholarship; duration of scholarship.

Sec. 4. (1) An applicant is eligible for the award of a first-year scholarship if the authority finds that the applicant meets all of the following:

(a) Has resided continuously in this state for the preceding 12 months and is not considered a resident of

any other state.

(b) Has graduated from a high school, or is a student in good standing in a high school who will graduate at the end of the academic year, or an individual who has passed a graduate equivalency examination approved by the state board of education, or, if not a high school graduate, is recommended favorably by an appropriate educational institution as defined in rules promulgated by the authority.

(c) Except for an applicant for a graduate scholarship, based on the state competitive scholarship examination, shows promise of satisfactorily completing a course of study at an approved postsecondary institution of the applicant's choice in this state. For an applicant for a graduate scholarship, the authority shall determine the examination standards for eligibility.

(d) Has complied with this act and the rules promulgated under this act by the authority.

(e) Is not incarcerated in a corrections institution.

(2) An applicant who the authority determines is eligible for award of a scholarship under this act shall complete using the scholarship within 1 of the following time frames, as applicable:

(a) For an applicant enrolled in an eligible postsecondary institution during the 2020 spring term and the 2020-2021 academic year, 11 years after his or her eligibility is determined.

(b) For any other applicant, 10 years after his or her eligibility is determined.

History: 1964, Act 208, Imd. Eff. May 22, 1964;—Am. 1966, Act 141, Imd. Eff. June 24, 1966;—Am. 1976, Act 428, Imd. Eff. Jan. 11, 1977;—Am. 1979, Act 48, Imd. Eff. July 7, 1979;—Am. 1980, Act 500, Eff. July 1, 1981;—Am. 1986, Act 270, Eff. Mar. 31, 1987;—Am. 2021, Act 40, Imd. Eff. July 1, 2021.

Administrative rules: R 390.1551 et seq. of the Michigan Administrative Code.

390.975 First-year scholarships; number awarded; renewal; duration; limitation on appropriation; award of residual scholarships.

Sec. 5. (1) There shall be awarded for each academic year the number of first-year scholarships that may be financed through available money. Of this number not less than 3 scholarships shall be awarded to residents of each legislative district, and the balance of the scholarships shall be awarded to residents of the state at large.

(2) Each scholarship described in subsection (1) shall be renewed by the authority upon application of the student awarded the first-year scholarship without further examination if the applicant remains eligible under sections 4 and 6 and is in compliance with rules promulgated by the authority.

(3) A scholarship may be renewed for not more than 10 semesters or its equivalent in trimesters or quarters of undergraduate education, or the equivalent as determined by the authority for less than full-time but more than half-time students.

(4) Beginning after October 1, 1988, a scholarship may be awarded for not more than 6 semesters or its equivalent in trimesters, quarters or terms of graduate education, or the equivalent as determined by the authority for less than full-time but more than half-time students. Money shall not be appropriated for purposes of this subsection for any fiscal year unless the amount appropriated under this act for that fiscal year for state competitive scholarships for undergraduate education equals or exceeds the amount appropriated for the state competitive scholarship program for the fiscal year ending September 30, 1987.

(5) A residual scholarship shall be awarded to a qualifying applicant who does not receive an initial scholarship award, but who may be eligible for an award later in the year or during an academic year when initial recipients relinquish their scholarship awards.

History: 1964, Act 208, Imd. Eff. May 22, 1964;—Am. 1966, Act 103, Imd. Eff. June 22, 1966;—Am. 1970, Act 65, Imd. Eff. July 10, 1970;—Am. 1976, Act 428, Imd. Eff. Jan. 11, 1977;—Am. 1979, Act 48, Imd. Eff. July 7, 1979;—Am. 1980, Act 500, Eff. July 1, 1981;—Am. 1986, Act 270, Eff. Mar. 31, 1987.

Administrative rules: R 390.1551 et seq. of the Michigan Administrative Code.

390.975a State competitive scholarships; award of honorary scholarships, publication of names.

Sec. 5a. The authority may award honorary scholarship certificates to those applicants who would otherwise be eligible for a scholarship under this act but because of the lack of financial need are not eligible for a monetary scholarship. The names of the recipients of such awards shall be published the same as the names of the winners of monetary scholarships.

History: Add. 1966, Act 186, Imd. Eff. July 1, 1966.

390.976 Duration and amount of first-year scholarship.

Sec. 6. Each first-year scholarship is for a period of 1 academic year and the scholarship award shall not exceed the amount of tuition and fees for the full academic year as reported by the approved institution in

which the applicant is enrolled, or an amount as the authority finds appropriate in relation to the applicant's own financial resources other than wages that may be due the applicant for part-time work performed by the applicant during the academic year, whichever is the lesser. For the purposes of determining the dollar amount of the scholarship, the financial resources of the applicant shall include the cash or equivalent resources of the applicant's parents available for the postsecondary education of the applicant, and allowance shall be made for other members of the applicant's family enrolled in an approved institution of postsecondary education, pursuant to rules adopted by the authority. If the amount of appropriated funds is insufficient to provide each student with the scholarship amount for which the student is eligible, the authority shall establish a maximum scholarship level for that academic year. Renewal scholarships shall not be less than the initial first-year scholarship awards unless predicated by changes in student or family financial resources.

History: 1964, Act 208, Imd. Eff. May 22, 1964;—Am. 1966, Act 141, Imd. Eff. June 24, 1966;—Am. 1973, Act 27, Eff. July 1, 1973;—Am. 1977, Act 294, Imd. Eff. Dec. 29, 1977;—Am. 1979, Act 48, Imd. Eff. July 7, 1979;—Am. 1980, Act 500, Eff. July 1, 1981.

390.977 Choice of institution or course of study; exception; accepting or continuing enrollment; notice; reports.

Sec. 7. (1) An applicant awarded a first-year scholarship or a renewal scholarship is not restricted in the choice of the institution in this state which he or she desires to attend if the institution is an eligible postsecondary institution under rules promulgated by the Michigan higher education assistance authority, except that a student shall not use a scholarship award at an institution whose primary purpose is to prepare students for ordination or appointment as a member of the clergy of a church, denomination, or religious association, order, or sect. An applicant awarded a first-year scholarship or a renewal scholarship is not restricted in the choice of the course of study he or she wishes to pursue.

(2) An approved institution chosen by the applicant is not required to accept the applicant for enrollment, or once having admitted the applicant, to continue the applicant's enrollment. The approved institution accepting the enrollment of a state competitive scholarship award winner shall notify the authority of the recipient's enrollment and shall submit annually to the authority reports which are required and necessary to administer this act.

History: 1964, Act 208, Imd. Eff. May 22, 1964;—Am. 1965, Act 153, Imd. Eff. July 12, 1965;—Am. 1979, Act 48, Imd. Eff. July 7, 1979;—Am. 1980, Act 500, Eff. July 1, 1981;—Am. 2004, Act 181, Imd. Eff. July 1, 2004.

390.978 Basis for award.

Sec. 8. State competitive scholarships shall be awarded by the authority on the basis of merit and financial need and without regard to race, sex, religion, color, or national origin.

History: 1964, Act 208, Imd. Eff. May 22, 1964;—Am. 1980, Act 500, Eff. July 1, 1981.

390.979 Rules; reports by applicants; certification; payments.

Sec. 9. The authority shall promulgate rules prescribing the reports to be made by the applicants awarded state competitive scholarships or annual renewal scholarships and the postsecondary institutions enrolling the applicants. Before payment of a state competitive scholarship or annual renewal scholarship is made to the applicant, the applicant shall certify in writing the name of the approved institution in which the applicant is enrolled and the applicant's intention to use the scholarship to pay for the tuition and fees to the approved institution. Prorated payments shall be made at the beginning of each semester or term to the student or to the postsecondary institution for credit to the student's account.

History: 1964, Act 208, Imd. Eff. May 22, 1964;—Am. 1966, Act 103, Imd. Eff. June 22, 1966;—Am. 1979, Act 48, Imd. Eff. July 7, 1979;—Am. 1980, Act 500, Eff. July 1, 1981.

390.980 Higher education assistance authority; acceptance of gifts, annual reports.

Sec. 10. The authority may accept gifts, grants, bequests, donations and devises, from whatever sources, of real, personal or mixed property and moneys for the purposes described in this act. The authority shall prepare an annual report of all gifts, grants, bequests, donations and devises for the governor and the legislature.

History: 1964, Act 208, Imd. Eff. May 22, 1964.

390.981 Allotment of scholarships to high schools; eligibility of students; implementation of awarding procedure; award of remaining scholarships.

Sec. 11. (1) Four scholarships shall be allotted to each class "A" high school, 3 to each class "B" high school, 2 to each class "C" high school, and 1 to each class "D" high school. Scholarships allotted to a high school shall be awarded to those students having the highest competitive examination score and otherwise meeting all eligibility requirements of this act, including that of demonstrating financial need. The awarding

of scholarships through this procedure shall be implemented only after sufficient additional funds are appropriated so as to not displace any student eligible for an award through the other awarding procedures established by this act.

(2) The remaining scholarships shall be awarded on a statewide, competitive basis.

History: Add. 1976, Act 415, Imd. Eff. Jan. 9, 1977.

TUITION GRANTS Act 313 of 1966

AN ACT to award tuition grants to resident students enrolled in independent nonprofit institutions of higher learning; and to make an appropriation therefor.

History: 1966, Act 313, Eff. Aug. 1, 1966;—Am. 1976, Act 314, Eff. July 1, 1977;—Am. 1980, Act 503, Eff. July 1, 1981.

The People of the State of Michigan enact:

390.991 Tuition grants; establishment; purpose; qualifications.

Sec. 1. Tuition grants are established by the state to foster the pursuit of higher education by resident students enrolled in independent nonprofit colleges or universities in the state, which have filed with the board of education a certificate of assurance of compliance with title 6 of the civil rights act of 1964, Public Law 88-352, 77 Stat. 241, as in effect on January 1, 1966, whose instructional programs are not comprised solely of sectarian instruction or religious worship, and which are approved by the state board of education.

History: 1966, Act 313, Eff. Aug. 1, 1966;—Am. 1976, Act 314, Eff. July 1, 1977;—Am. 1980, Act 503, Eff. July 1, 1981.

Compiler's note: For transfer of authority, powers, duties, functions, and responsibilities of the Michigan higher education assistance authority, the Michigan higher education student loan authority, and the office of student financial assistance services in the department of education to the department of treasury, see E.R.O. No. 1995-2, compiled at MCL 12.181 of the Michigan Compiled Laws.

For transfer of powers and duties of Michigan higher education assistance authority to department of treasury, see E.R.O. No. 2010-2, compiled at MCL 124.194.

390.992 Tuition grants; administration; availability of grants; priority.

Sec. 2. The Michigan higher education assistance authority created by Act No. 77 of the Public Acts of 1960, as amended, being sections 390.951 to 390.961 of the Michigan Compiled Laws, shall administer the grants which shall be available to each eligible resident student registered as an eligible undergraduate or graduate student. Priority shall be given to full-time students.

History: 1966, Act 313, Eff. Aug. 1, 1966;—Am. 1976, Act 314, Eff. July 1, 1977;—Am. 1976, Act 452, Imd. Eff. Jan. 13, 1977.

Compiler's note: For transfer of authority, powers, duties, functions, and responsibilities of the Michigan higher education assistance authority, the Michigan higher education student loan authority, and the office of student financial assistance services in the department of education to the department of treasury, see E.R.O. No. 1995-2, compiled at MCL 12.181 of the Michigan Compiled Laws.

For transfer of powers and duties of Michigan higher education assistance authority to department of treasury, see E.R.O. No. 2010-2, compiled at MCL 124.194.

390.993 Tuition grants; application; eligibility; satisfactory academic progress; second degree.

Sec. 3. (1) Upon application of an eligible resident student who has resided in this state continuously for the preceding 12 months, is not considered a resident of any other state, is not incarcerated in a corrections institution, and is registered in an independent nonprofit college or university in this state, as described in section 1, the Michigan higher education assistance authority shall grant an amount as provided for in this act for each semester of attendance. Except as otherwise provided in this subsection, a student is not eligible for a grant for tuition and fees for more than 10 semesters of undergraduate education, or its equivalent in trimesters, or its equivalent as determined by the authority for less than full-time students; for more than 6 semesters of graduate education, or its equivalent in trimesters; or for more than 8 semesters in dental education, or its equivalent in trimesters. A student enrolled as an undergraduate during the 2020 spring term and the 2020-2021 academic year is eligible for a grant of tuition and fees for up to 12 semesters of undergraduate education, or its equivalent in trimesters, or its equivalent as determined by the authority for less than full-time students.

(2) A student must maintain satisfactory academic progress, as defined by the college or university in which the student is enrolled, to remain eligible for the tuition grant under this act.

(3) If a student possessing a degree at a given academic level enrolls for a second degree at the same academic level, the authority shall include tuition grants received by the student when enrolled for the previous degree at the same level in determining the student's eligibility under subsection (1).

History: 1966, Act 313, Eff. Aug. 1, 1966;—Am. 1968, Act 339, Eff. Nov. 1, 1968;—Am. 1976, Act 314, Eff. July 1, 1977;—Am. 1976, Act 452, Imd. Eff. Jan. 13, 1977;—Am. 1977, Act 295, Imd. Eff. Dec. 29, 1977;—Am. 1980, Act 503, Eff. July 1, 1981;—Am. 2021, Act 41, Imd. Eff. July 1, 2021.

390.993a Repealed. 1971, Act 179, Eff. Mar. 30, 1972.

Compiler's note: The repealed section pertained to competition in a state competitive scholarship examination as a condition of eligibility for tuition grants.

390.994 Tuition grants; determination of amount; evaluation of family's financial resources; grants for religious studies prohibited; payments.

Sec. 4. (1) The amount of the grant to be paid for each semester or trimester shall be determined by the Michigan higher education assistance authority based upon an evaluation of the family's financial resources. In determining financial resources the authority shall use the same criteria as used in Act No. 208 of the Public Acts of 1964, as amended, being sections 390.971 to 390.981 of the Michigan Compiled Laws. The evaluation shall make allowance for other members of the applicant's family enrolled in an approved institution of higher education.

(2) A grant shall not be made under this act to a student who is enrolled in a program of study leading to a degree in theology, divinity, or religious education.

(3) Prorated payments shall be made at the beginning of each semester or term to the student or to the college or university for credit to the student's account.

History: 1966, Act 313, Eff. Aug. 1, 1966;—Am. 1968, Act 339, Eff. Nov. 1, 1968;—Am. 1976, Act 314, Eff. July 1, 1977;—Am. 1980, Act 503, Eff. July 1, 1981.

390.995 Tuition grants; maximum amount or grant level.

Sec. 5. Each tuition grant shall not exceed the amount of tuition and fees for the full academic year as reported by the college or university in which the applicant is enrolled, or an amount the Michigan higher education assistance authority finds appropriate in relation to the family's financial resources, whichever is the lesser. If there are not sufficient appropriated funds to provide each student with the grant amount for which the student is eligible, the Michigan higher education assistance authority shall establish a maximum grant level for that academic year.

History: 1966, Act 313, Eff. Aug. 1, 1966;—Am. 1968, Act 339, Eff. Nov. 1, 1968;—Am. 1972, Act 313, Eff. July 1, 1973;—Am. 1976, Act 314, Eff. July 1, 1977;—Am. 1977, Act 295, Imd. Eff. Dec. 29, 1977;—Am. 1980, Act 503, Eff. July 1, 1981.

390.996 Rules.

Sec. 6. The Michigan higher education assistance authority shall promulgate rules to carry out this act pursuant to Act No. 306 of the Public Acts of 1969, as amended, being sections 24.201 to 24.315 of the Michigan Compiled Laws.

History: 1966, Act 313, Eff. Aug. 1, 1966;—Am. 1980, Act 503, Eff. July 1, 1981.

Administrative rules: R 390.831 et seq. of the Michigan Administrative Code.

390.997 Effect of receiving state competitive scholarship; increasing state competitive scholarship award.

Sec. 7. A student who receives a state competitive scholarship authorized by Act No. 208 of the Public Acts of 1964, as amended, is not eligible to receive a tuition grant concurrently. However, the state competitive scholarship award of a student enrolled in an independent nonprofit college or university may be increased with funds from the tuition grant program under this act up to the level of the maximum tuition grant award as provided in section 5, if the maximum tuition grant award is greater than the maximum competitive scholarship award in a given year.

History: 1966, Act 313, Eff. Aug. 1, 1966;—Am. 1968, Act 339, Eff. Nov. 1, 1968;—Am. 1971, Act 179, Eff. Mar. 30, 1972;—Am. 1976, Act 452, Imd. Eff. Jan. 13, 1977;—Am. 1980, Act 503, Eff. July 1, 1981.

Compiler's note: For provisions of Act 208 of 1964, referred to in this section, see MCL 390.971 et seq.

390.997a Effect of receiving private scholarships.

Sec. 7a. If a student receives other scholarship awards by a private, nonprofit institution of higher learning covering full tuition and fees, he is not eligible for a tuition grant. If a student receives other scholarship awards by a private, nonprofit institution of higher learning covering only a portion of his tuition and fees, the student may qualify for a proportionate tuition grant in accordance with the provisions of this act.

History: Add. 1971, Act 179, Eff. Mar. 30, 1972.

390.998, 390.999 Repealed. 1968, Act 339, Eff. Nov. 1, 1968.

Compiler's note: The repealed sections provided appropriation from general fund to department of education for tuition grants and gave effective date.

NONPUBLIC SCHOOLS OF DENTISTRY Act 219 of 1969

390.1001-390.1003 Expired. 1969, Act 219, Eff. July 1, 1974.

STATISTICS; MICHIGAN STATE UNIVERSITY
Act 232 of 1962

AN ACT to make appropriations for various state institutions, departments, commissions, boards and certain other purposes relating to education for the fiscal year ending June 30, 1963; to provide for the expenditure of such appropriations; and to provide for the disposition of fees and other income received by the various state agencies.

History: 1962, Act 232, Imd. Eff. July 12, 1962.

The People of the State of Michigan enact:

390.1015 Institutions of higher education; statistics included in budget requests.

Sec. 15. Institutions of higher education shall furnish actual statistics reflecting full time equated students for each semester or term including summer school for the preceding fiscal year. Each budget request and the budget submitted to the legislature by the governor shall contain the number of on campus and off campus students on a full time equated basis, as defined by a majority of the council of college presidents in the following groups: freshmen and sophomores, juniors and seniors, graduate and professional students. Each budget shall also set forth by term or semester and summer school the total credit hours, the approximate cost and the portion of the total cost contributed by the student for each group, and all other information pertinent to determination of appropriations for the colleges and universities.

History: 1962, Act 232, Imd. Eff. July 12, 1962.

390.1016 Michigan state university; industries and labor relations center.

Sec. 16. Recognizing the board of trustees of Michigan state university of agriculture and applied science as having general supervision of Michigan state university and the direction and control of its funds; nevertheless, as a condition of appropriating funds to the university under this act, no portion of such appropriation shall be used to maintain or continue the industries and labor relations center or any center or school of a similar nature.

History: 1962, Act 232, Imd. Eff. July 12, 1962.

390.1017 Michigan state university; medical education program.

Sec. 17. It is the intention of the legislature that the board of trustees of Michigan state university not establish a medical education program beyond a 2-year program in human biology leading toward either a Ph.D. or an M.D. degree unless authorized by the legislature.

History: 1962, Act 232, Imd. Eff. July 12, 1962.

PAYMENT FOR EARNED DEGREES
Act 75 of 1974

AN ACT to provide for payment to approved independent nonprofit institutions of higher education, located within the state, for all earned degrees conferred upon Michigan residents; and to provide for appropriations.

History: 1974, Act 75, Imd. Eff. Apr. 4, 1974;—Am. 1976, Act 59, Imd. Eff. Mar. 25, 1976;—Am. 1980, Act 384, Eff. July 1, 1981.

The People of the State of Michigan enact:

390.1021 Reimbursement of independent nonprofit institutions of higher education for earned degrees conferred upon Michigan residents; eligibility for allied health degree reimbursement; report; definitions.

Sec. 1. (1) The state board of education shall annually, upon application therefor, reimburse according to a schedule of amounts to be determined annually by the legislature each approved independent nonprofit institution of higher education located within the state for all earned associate, bachelor, master, doctor of dental surgery, doctor of dental medicine, juris doctor law, and allied health degrees conferred upon Michigan residents during the prior fiscal year. To be eligible for allied health degree reimbursement under this act, the degree program shall include a clinical education requirement before completion of the degree and also shall include all educational requirements necessary for the student to function as an allied health practitioner and to qualify for the appropriate certification, registration, or license for the profession.

(2) The state board of education shall report to the legislature annually, the eligible institutions, the number of earned degrees conferred, and the total amounts to be paid under this act.

(3) As used in this act:

(a) "Allied health degree" means an earned baccalaureate or master degree in nursing, medical technology, medical records administration, dietetics, physician's assistant, emergency medical technology, respiratory therapy, anesthesia, nuclear medicine technology, and other allied health programs which are determined by the state board of education to qualify for reimbursement.

(b) "Michigan resident" means a person who was a resident of the state at the time of graduation from high school or for a minimum of 12 months prior to the first enrollment in the specified degree program.

History: 1974, Act 75, Imd. Eff. Apr. 4, 1974;—Am. 1976, Act 59, Imd. Eff. Mar. 25, 1976;—Am. 1980, Act 384, Eff. July 1, 1981.

Compiler's note: For transfer of authority, powers, duties, functions, and responsibilities of the Michigan higher education assistance authority, the Michigan higher education student loan authority, and the office of student financial assistance services in the department of education to the department of treasury, see E.R.O. No. 1995-2, compiled at MCL 12.181 of the Michigan Compiled Laws.

390.1022 Qualifications for state payments.

Sec. 2. To qualify for state payments under this act, an independent nonprofit institution of higher education shall:

(a) Be incorporated under Act No. 327 of the Public Acts of 1931, as amended, being sections 450.98 to 450.192 of the Michigan Compiled Laws, or subject to that act without formal organization thereunder.

(b) Submit annually to the state board of education reports which are required and necessary to administer this act.

(c) Maintain for 3 years and make available for inspection records necessary for conducting an audit and for administration of this act.

(d) File with the state board of education a certificate of assurance of compliance with title 6 of the civil rights act of 1964, Public Law 88-352, 78 Stat. 241, as in effect on January 1, 1966.

History: 1974, Act 75, Imd. Eff. Apr. 4, 1974;—Am. 1980, Act 384, Eff. July 1, 1981;—Am. 1984, Act 9, Imd. Eff. Feb. 13, 1984.

390.1023 Certain degrees excluded from computation.

Sec. 3. (1) A degree earned in a program with respect to which state reimbursement other than that established by this act is granted to an independent nonprofit institution is excluded from computation under section 1.

(2) A degree conferred by an institution whose primary purpose is to prepare students for ordination or appointment as a member of the clergy of a church, denomination, or religious association, order, or sect is excluded from computation under section 1.

History: 1974, Act 75, Imd. Eff. Apr. 4, 1974;—Am. 1980, Act 384, Eff. July 1, 1981;—Am. 1984, Act 9, Imd. Eff. Feb. 13, 1984;—Am. 2004, Act 145, Imd. Eff. June 15, 2004.

390.1024 Repealed. 1978, Act 60, Imd. Eff. Mar. 14, 1978.

Compiler's note: The repealed section provided a limitation on payments.

390.1025 Appropriations authorized.

Sec. 5. For each fiscal year, the legislature shall appropriate the sums necessary to carry out the intent of this act.

History: 1974, Act 75, Imd. Eff. Apr. 4, 1974;—Am. 1980, Act 384, Eff. July 1, 1981.

390.1026 Payment and use of amounts appropriated; authorization of expenditures.

Sec. 6. (1) The amounts appropriated shall be paid out of the general fund of the state at such times and in such manner as is provided by law.

(2) Expenditures under this act shall be authorized when the release of the appropriation is authorized by the state administrative board.

(3) The amounts appropriated shall be used solely for the respective purposes stated in this act except as otherwise provided by law.

History: 1974, Act 75, Imd. Eff. Apr. 4, 1974.

390.1027 Eligibility to receive funds.

Sec. 7. To be eligible to receive funds under this act, an institution shall be eligible for state reimbursement under the provisions of the constitution of the United States and the state constitution of 1963.

History: 1974, Act 75, Imd. Eff. Apr. 4, 1974;—Am. 1980, Act 384, Eff. July 1, 1981.

STATISTICS
Act 176 of 1963

AN ACT to make appropriations for various state institutions, departments, commissions, boards and certain other purposes relating to education for the fiscal year ending June 30, 1964; to provide for the expenditure of such appropriations; and to provide for the disposition of fees and other income received by various state agencies.

History: 1963, Act 176, Imd. Eff. May 14, 1963.

The People of the State of Michigan enact:

390.1034 Institutions of higher education; statistics included in budget requests.

Sec. 14. Institutions of higher education shall furnish actual statistics reflecting full time equated students for each semester or term including summer school for the preceding fiscal year. Each budget request and the budget submitted to the legislature by the governor shall contain the number of on campus and off campus students on a full time equated basis, as defined by a majority of the council of college presidents in the following groups: freshmen and sophomores, juniors and seniors, graduate and professional students. Each budget shall also set forth by term or semester and summer school the total credit hours, the approximate cost and the portion of the total cost contributed by the student for each group, and all other information pertinent to determination of appropriations for the colleges and universities.

History: 1963, Act 176, Imd. Eff. May 14, 1963.

STATISTICS
Act 259 of 1964

AN ACT to make appropriations for various state institutions, departments, commissions, boards and certain other purposes relating to education for the fiscal year ending June 30, 1965; to provide for the expenditure of such appropriations; and to provide for the disposition of fees and other income received by various state agencies.

History: 1964, Act 259, Imd. Eff. June 1, 1964.

The People of the State of Michigan enact:

390.1054 Institutions of higher education; statistics included in budget requests.

Sec. 14. Institutions of higher education shall furnish actual statistics reflecting full time equated students for each semester or term including summer school for the preceding fiscal year. Each budget request and the budget submitted to the legislature by the governor shall contain the number of on campus and off campus students on a full time equated basis, as defined by a majority of the council of college presidents in the following groups: freshmen and sophomores, juniors and seniors, graduate and professional students. Each budget shall also set forth by term or semester and summer school the total credit hours, the approximate cost and the portion of the total cost contributed by the student for each group, and all other information pertinent to determination of appropriations for the colleges and universities.

History: 1964, Act 259, Imd. Eff. June 1, 1964.

INSTITUTIONS OF HIGHER EDUCATION; ACCOUNTING TO LEGISLATURE
Act 42 of 1963 (2nd Ex. Sess.)

AN ACT to provide for the submission of accounts to the legislature by state supported institutions of higher education.

History: 1963, 2nd Ex. Sess., Act 42, Imd. Eff. Dec. 27, 1963.

The People of the State of Michigan enact:

390.1101 Institutions of higher education; accounting to legislature.

Sec. 1. The governing board of each state supported institution of higher education shall submit to the state legislature through the legislative auditor general, on or before November 1 of each year, an annual accounting in triplicate of all income and expenditures of the institution for its last preceding fiscal year, in accordance with procedures prescribed by the legislative auditor general.

History: 1963, 2nd Ex. Sess., Act 42, Imd. Eff. Dec. 27, 1963.

INDEMNIFICATION RESERVE FUND
Act 315 of 1977

AN ACT to authorize certain institutions of higher education to establish an indemnification reserve fund to pay losses arising out of professional liability, institutional liability, premises liability, or the institution's vicarious liability which occurs in the scope of employment, program, or authority; to establish a risk management system; to prescribe powers and duties of the department of licensing and regulation and the department of treasury; and to provide for the satisfaction of judgments and the settlement of claims.

History: 1977, Act 315, Imd. Eff. Jan. 9, 1978;—Am. 1982, Act 24, Imd. Eff. Mar. 4, 1982.

The People of the State of Michigan enact:

390.1121 Meanings of words and phrases.

Sec. 1. For the purposes of this act, the words and phrases defined in sections 2 to 5 shall have the meanings ascribed to them in those sections.

History: 1977, Act 315, Imd. Eff. Jan. 9, 1978.

390.1122 Definitions; A to E.

Sec. 2. (1) "Accident year" means the calendar year in which an incurred loss takes place.

(2) "Agent" means an officer, employee, student, or authorized person or entity of the university.

(3) "Aggregate", when used in connection with incurred loss, incurred loss reserves, or paid losses means the total of each of loss or reserve.

(4) "Excess loss" means a loss in excess of the funded level of the indemnification reserve fund.

(5) "Expected loss" means the total of incurred loss and incurred but not reported loss.

History: 1977, Act 315, Imd. Eff. Jan. 9, 1978.

390.1123 Definitions; I to L.

Sec. 3. (1) "Incurred but not reported loss" means an incurred loss which has not been reported.

(2) "Incurred but not reported loss reserves" means the amount estimated to be required to pay incurred losses which have not been reported and related expenses allocated with respect to those losses.

(3) "Incurred loss" means a loss which has been reported to the university and for which the university may have liability.

(4) "Incurred loss reserves" means the amount estimated to be required to pay incurred losses and related expenses.

(5) "Indemnification reserve fund" means cash or investments in a university fund or a trustee account outside the university, a commercial liability insurance policy, or other evidence of financial obligation available to pay losses arising out of professional liability, premises liability, or both.

(6) "Loss" means the happening of an event from a peril included within those protected by the policy of indemnification of the university, including related expenses related to professional liability, premises liability, or both.

History: 1977, Act 315, Imd. Eff. Jan. 9, 1978;—Am. 1982, Act 24, Imd. Eff. Mar. 4, 1982.

390.1124 Definitions; P.

Sec. 4. (1) "Paid loss" means a loss which has been paid plus expenses allocated and paid with respect to that loss.

(2) "Premises liability" means liability for personal injury or property damage, singly or in any combination, which the university becomes legally obligated to pay and which arises out of an occurrence in any medical facility owned, leased, or operated by the university.

(3) "Professional liability" means:

(a) Health care professional liability which the university becomes legally obligated to pay or for which the university assumes the obligation to pay as damages or costs because of injury to a person arising out of the rendering of, or failure to render, health care services, including:

(i) Medical, surgical, dental, nursing, or other health care treatment or services to a person, including the furnishing of food or beverage and the maintenance of facilities in connection with the furnishing of the health care treatment and services.

(ii) Furnishing or dispensing drugs or medical, dental, or surgical supplies or appliances.

(iii) Handling of or performing post-mortem examinations on human bodies.

(iv) Service performed by a person as a member of a formal accreditation or similar professional board or

committee of the university or other service approved by the university, or service performed by a person as a person charged with the duty of executing directives of that board or committee.

(b) Any other medical malpractice claims arising from an occurrence on premises owned, leased, or operated by the university where health care is delivered.

History: 1977, Act 315, Imd. Eff. Jan. 9, 1978;—Am. 1982, Act 24, Imd. Eff. Mar. 4, 1982.

390.1125 Definitions; R to U.

Sec. 5. (1) "Related expenses" means the costs of litigation, investigation, attorney fees, and administrative expenses.

(2) "Risk management system" means a system or plan to do all of the following:

(a) Employ independent actuaries or other qualified technical experts to determine and measure to the extent possible through accepted and established actuarial procedures and techniques the financial condition of the indemnification reserve fund, the expected loss, and the required funding to which the university or its agents are subject because of professional liability, premises liability, or both.

(b) Implement a program for reducing or eliminating the incidents which give rise to potential professional liability, premises liability, or both.

(3) "Third party reimbursor" means a person, firm, organization, corporation, or government agency, other than the university or its agent, which reimburses the university for reasonable costs related to the payment of losses arising out of professional liability, premises liability, or both.

(4) "University" means university of Michigan, Michigan state university, or Wayne state university.

History: 1977, Act 315, Imd. Eff. Jan. 9, 1978;—Am. 1982, Act 24, Imd. Eff. Mar. 4, 1982.

390.1126 Assumption by state of excess loss of university or its agents; conditions.

Sec. 6. The state shall assume the excess loss of the university or its agents if the university adopts an indemnification and hold harmless policy in which the university agrees to indemnify, save harmless, and defend its agents against professional liability and premises liability arising out of, related to, or incurred in the course of, employment, assigned duties, course of academic studies, or authority and establishes an indemnification reserve fund consistent with this act.

History: 1977, Act 315, Imd. Eff. Jan. 9, 1978;—Am. 1982, Act 24, Imd. Eff. Mar. 4, 1982.

390.1127 State payment of excess loss of university; qualifications; indemnification reserve fund; compliance with MCL 500.100 to 500.8302.

Sec. 7. (1) To qualify for state payment of excess loss, a university shall develop and implement a risk management system, which shall be filed with and approved by the state insurance bureau, and shall establish and maintain an indemnification reserve fund.

(2) The indemnification reserve fund may consist of 2 components:

(a) Available funds or other evidence of financial obligation from third party reimbursors.

(b) Funds from the university. The university shall fund its portion of the indemnification reserve fund at a rate necessary to fully fund the annual expected loss for the current accident year as determined by the risk management system.

(3) By participating in the fund, the university shall not be relieved of complying with the requirements of Act No. 218 of the Public Acts of 1956, as amended, being sections 500.100 to 500.8302 of the Michigan Compiled Laws.

History: 1977, Act 315, Imd. Eff. Jan. 9, 1978.

390.1128 Information to be filed with state insurance bureau.

Sec. 8. At the end of each year, the university shall file the following information with the state insurance bureau:

(a) The annual expected loss for the next accident year, which shall be computed together with an accounting of the indemnification reserve fund.

(b) The status of the indemnification reserve fund, which shall be computed as the sum of the following:

(i) All previous payments from the university.

(ii) All previous payments from third party reimbursors.

(iii) Any balance due from third party reimbursors.

(c) The status of the paid and expected aggregate loss, which shall be computed as the sum of the following:

(i) Aggregate incurred loss reserves.

(ii) Aggregate incurred but not reported loss reserves.

- (iii) Aggregate paid loss from all past periods, including current year.
- (iv) Actual expenses paid or incurred with respect to the indemnification program.

History: 1977, Act 315, Imd. Eff. Jan. 9, 1978.

390.1129 Annual excess loss as obligation of state; payment; limitation; payment of incurred loss.

Sec. 9. (1) The annual excess loss shall be an obligation of this state and shall be paid directly to the claimant from the general fund of the state.

(2) The amount paid by the state shall not exceed \$100,000.00 per judgment, settlement, or award per year, plus interest at a rate not to exceed 6% per year of the unpaid balance until the entire amount of the judgment, settlement, or award is paid.

(3) An incurred loss shall first be paid from the indemnification reserve fund.

History: 1977, Act 315, Imd. Eff. Jan. 9, 1978.

390.1130 Naming state as party prohibited; act or fund not to be mentioned at trial or hearing.

Sec. 10. The state of Michigan shall not be named as a party in a legal action commenced against a university or its agent, nor shall the existence of this act or the indemnification reserve fund be mentioned during the course of a trial or hearing.

History: 1977, Act 315, Imd. Eff. Jan. 9, 1978.

390.1131 Annual report.

Sec. 11. The insurance commissioner shall submit an annual report to the governor and the legislature regarding the implementation of this act and the excess loss obligations assumed by the state.

History: 1977, Act 315, Imd. Eff. Jan. 9, 1978.

HIGHER EDUCATION LOAN AUTHORITY ACT
Act 222 of 1975

AN ACT to establish the Michigan higher education student loan authority for the purpose of providing loans to eligible students and to parents of students; to prescribe its powers and duties; to authorize the authority to borrow money and issue bonds which are subject to or exempt from federal income taxation and to provide for the disposition of those funds; to exempt the bonds from taxation; to authorize the authority to acquire loans made to eligible students or to parents of students; and to authorize persons, corporations, and associations to make gifts to the authority.

History: 1975, Act 222, Eff. Oct. 1, 1975;—Am. 1984, Act 259, Imd. Eff. Dec. 7, 1984;—Am. 1987, Act 206, Eff. Jan. 1, 1988.

The People of the State of Michigan enact:

390.1151 Short title.

Sec. 1. This act shall be known and may be cited as the "higher education loan authority act".

History: 1975, Act 222, Eff. Oct. 1, 1975.

Compiler's note: For transfer of powers and duties of Michigan higher education student loan authority to Michigan finance authority, see E.R.O. No. 2010-2, compiled at MCL 12.194

390.1152 Definitions.

Sec. 2. As used in this act:

(a) "Authority" means the Michigan higher education student loan authority created by section 3.

(b) "Bonds" means the bonds authorized to be issued by the authority under this act, which may consist of bonds, notes, term loans, commercial paper, or other debt obligations evidencing an obligation to repay borrowed money and payable solely from revenues and other money pledged by the authority.

(c) "Bond resolution" or "resolution", when used in relation to the issuance of bonds, means either the resolution or trust agreement securing the bonds.

(d) "Eligible institution" means an institution of higher education; a vocational school; or, with respect to students or their parents who are citizens or nationals of the United States, an institution outside the United States comparable to an institution of higher education or to a vocational school that is approved by the state board of education and by the United States secretary of education for purposes of the guaranteed loan program.

(e) "National of the United States" means a person who, though not a citizen of the United States, owes permanent allegiance to the United States, as described in section 101(a)(22)(B) of the immigration and nationality act, 8 USC 1101.

(f) "Obligations" or "borrower obligations" means loan notes and other debt obligations evidencing loans to students or parents of students that the authority may take, acquire, buy, sell, or indorse under this act and may include a direct or indirect interest in whole or part of the notes or obligations.

(g) "Parent" means a biological or adoptive parent or legal guardian.

(h) "Standard rating service" means a service recognized in the investment profession that evaluates and measures securities investment and credit risk.

(i) "Student" means a person who is enrolled or accepted for enrollment at an eligible institution and who is making suitable progress in his or her education toward obtaining a degree or other appropriate certification in accordance with standards acceptable to the authority.

(j) "Talent investment fund" means the talent investment fund as defined in section 8a.

History: 1975, Act 222, Eff. Oct. 1, 1975;—Am. 1984, Act 259, Imd. Eff. Dec. 7, 1984;—Am. 1987, Act 206, Eff. Jan. 1, 1988;—Am. 2018, Act 228, Imd. Eff. June 27, 2018.

Compiler's note: For transfer of certain powers and duties vested in the department of career development or its director, relating to powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

For transfer of powers of department of labor and economic growth regarding career and technical education program for secondary students to department of education by type II transfer, see E.R.O. No. 2007-1, compiled at MCL 388.998.

390.1153 Authority; creation; autonomous entity; members; terms; quorum; action by authority; meetings.

Sec. 3. (1) The Michigan higher education student loan authority is created as a public body corporate and politic within the department of education. The authority shall exercise its powers as an autonomous entity, independent of the director of the department of education.

(2) The authority shall consist of the members of the Michigan higher education assistance authority, as

provided by section 2 of Act No. 77 of the Public Acts of 1960, as amended, being section 390.952 of the Michigan Compiled Laws. The terms of office of the members shall be the same as prescribed in section 3 of Act No. 77 of the Public Acts of 1960, being section 390.953 of the Michigan Compiled Laws.

(3) A majority of the members of the authority qualified and serving constitutes a quorum for the purpose of conducting its business and exercising its powers and for all other purposes, notwithstanding the existence of a vacancy. Action may be taken by the authority upon a vote of a majority of the members present, unless the bylaws of the authority require a larger number. Meetings of the authority may be held anywhere within the state.

History: 1975, Act 222, Eff. Oct. 1, 1975;—Am. 1989, Act 127, Imd. Eff. June 28, 1989.

Compiler's note: For transfer of authority, powers, duties, functions, and responsibilities of the Michigan higher education assistance authority, the Michigan higher education student loan authority, and the office of student financial assistance services in the department of education to the department of treasury, see E.R.O. No. 1995-2, compiled at MCL 12.181 of the Michigan Compiled Laws.

For replacement of the superintendent of public instruction as an ex officio member and chairperson of the Michigan higher education assistance authority and the Michigan higher education student loan authority by the state treasurer, see E.R.O. No. 1995-2, compiled at MCL 12.181 of the Michigan Compiled Laws.

For abolishment of governing body of Michigan higher education student loan authority, see E.R.O. No. 2010-2, compiled at MCL 12.194.

390.1154 Powers of authority.

Sec. 4. The authority has the powers necessary to carry out and effectuate the purposes of this act, including, but not limited to, the following powers:

(a) The power to sue and be sued; to have a seal and alter the seal at pleasure; to have perpetual succession; to make, execute, and deliver contracts, conveyances, bonds, and other instruments necessary in the exercise of its powers; and to make and amend bylaws.

(b) The power to accept gifts, grants, loans, and other aids or amounts from a person, corporation, or governmental agency.

(c) The power to loan money to students and parents of students for the purpose of assisting students in obtaining an education beyond or in addition to obtaining a high school education by attending an eligible institution, including refinancing or consolidating borrower obligations previously incurred by a student or parent of a student with other lending sources for this purpose and participating in loans to students and parents of students for this purpose with other lending sources.

(d) The power to enforce its rights under a contract or agreement including the commencement of a court action.

(e) The power to acquire, hold, and dispose of real and personal property necessary for the accomplishment of the purposes of this act.

(f) The power to procure insurance against losses that may be incurred in connection with its property, assets, activities, or the exercise of the powers granted under this act.

(g) The power to borrow money and to issue its bonds and provide for the rights of the holders of the bonds and to secure the bonds by assignment, pledge, or granting a security interest in its property including all or a part of a borrower obligation. This state shall not be liable for the repayment of bonds issued by the authority, the bonds issued by the authority shall not be a debt of this state, and each bond shall contain on its face a statement to this effect. The authority may, at its option, authorize the issuance of bonds for the purposes described in section 5 that are subject to federal income taxation, notwithstanding any intergovernmental immunity from federal taxation under the constitution of the United States for bonds of the authority, but any waiver of intergovernmental immunity, expressed or implied in this act, shall extend only to bonds specifically authorized by the authority as bonds that are subject to federal income taxation.

(h) The power to invest funds not required for immediate use or disbursement in obligations of this state or the United States, in obligations the principal and interest of which are guaranteed by this state or the United States, in United States government or federal agency obligation repurchase agreements, in mutual funds and common trust funds composed of investment vehicles that are legal for direct investment by the authority, in bankers' acceptances of United States banks, in certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank that is a member of the federal deposit insurance corporation or a savings and loan association that is a member of the federal savings and loan insurance corporation or a credit union that is insured by the national credit union administration, or up to 50% of the funds in commercial paper rated at the time of purchase within the 3 highest rating classifications established by not less than 2 standard rating services and that matures not more than 270 days after the date of purchase.

(i) Subject to a contract with the holders of its bonds, an applicable bond resolution, or a contract with the recipient of a loan, when the authority considers it necessary or desirable, the power to consent to the modification, with respect to security, rate of interest, time of payment of interest or principal, or other term

of a bond contract or agreement between the authority and a recipient of a loan, bondholder, or agency or institution guaranteeing the repayment of a borrower obligation.

(j) The power to engage the services of private consultants to render professional and technical assistance and advice in carrying out the purposes of this act.

(k) The power to appoint officers, agents, and employees, describe their duties, and fix their compensation subject to rules promulgated by the civil service commission.

(l) The power to solicit grants and contributions from a government, or an agency of government, or from the public, and, at its discretion, to arrange for the guaranteeing of the repayment of borrower obligations by other agencies of this state or agencies of the United States.

(m) The power to promulgate rules consistent with this act and necessary to carry out the purpose of this act pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

(n) The power to collect fees and charges in connection with its loans, commitments, and servicing, including reimbursement of the costs of financing by the authority, service charges, and insurance premiums the authority determines are reasonable and as approved by the authority.

(o) The power to sell borrower obligations held by the authority for a price and at a time and pursuant to other terms, including undertakings or options to repurchase borrower obligations, as the authority may determine, if the sale will not impair the rights or interests of holders of bonds issued by the authority.

(p) The power to participate in federal programs supporting loans to eligible students and parents of students, and to agree to and comply with the conditions of those programs.

(q) The power to purchase or otherwise acquire notes or debt obligations evidencing loans to students or parents of students.

(r) The power to purchase, sell, or exchange borrower obligations securing a series of bonds of the authority with, or for the proceeds of, or the borrower obligations securing a separate series of bonds of the authority, but only to the extent permitted by the respective bond resolutions for the affected series of bonds.

(s) The power to grant and pay money to the Michigan higher education assistance authority established by 1960 PA 77, MCL 390.951 to 390.961, for its loan guaranty fund whenever the authority determines the grant and payment is necessary or beneficial in order to effectuate and carry out the powers, duties, and functions of the authority under this act.

(t) The power to enter into contracts with other authorities, governmental agencies, private persons, firms, or corporations in connection with any transaction relating to any indebtedness incurred by the authority in the providing of funds for the achievement of its purposes under this act.

(u) The power to competitively contract for services including consulting services as needed to carry out the purposes of this act.

(v) In the state fiscal year ending September 30, 2007, the power to grant and pay money to the Michigan merit award trust fund established by section 9 of the Michigan trust fund act, 2000 PA 489, MCL 12.259, to provide funding only for 1 or more of the following:

(i) State competitive scholarships under 1964 PA 208, MCL 390.971 to 390.981.

(ii) Tuition grants under 1966 PA 313, MCL 390.991 to 390.997a.

(iii) The Michigan work-study program established in 1986 PA 288, MCL 390.1371 to 390.1382.

(iv) The Michigan work-study program established in 1986 PA 303, MCL 390.1321 to 390.1332.

(v) The Michigan nursing scholarship program established in the Michigan nursing scholarship act, 2002 PA 591, MCL 390.1181 to 390.1189.

(w) In the state fiscal year ending September 30, 2018, the power to grant and pay money to the talent investment fund established under section 8a, to provide \$100,000,000.00 to the talent investment fund.

History: 1975, Act 222, Eff. Oct. 1, 1975;—Am. 1976, Act 163, Imd. Eff. June 21, 1976;—Am. 1978, Act 253, Imd. Eff. June 20, 1978;—Am. 1984, Act 259, Imd. Eff. Dec. 7, 1984;—Am. 1987, Act 206, Eff. Jan. 1, 1988;—Am. 1989, Act 127, Imd. Eff. June 28, 1989;—Am. 2007, Act 34, Imd. Eff. July 11, 2007;—Am. 2018, Act 228, Imd. Eff. June 27, 2018.

Compiler's note: For transfer of authority, powers, duties, functions, and responsibilities of the Michigan higher education assistance authority, the Michigan higher education student loan authority, and the office of student financial assistance services in the department of education to the department of treasury, see E.R.O. No. 1995-2, compiled at MCL 12.181 of the Michigan Compiled Laws.

For consolidation of administrative staff of Michigan higher education assistance authority, Michigan higher education facilities authority, Michigan higher education student loan authority, Michigan municipal bond authority, and state hospital finance authority, and for transfer of certain functions to state treasurer, see E.R.O. No. 2002-8, compiled at MCL 12.193.

Administrative rules: R 390.1601 et seq. and R 390.1621 et seq. of the Michigan Administrative Code.

390.1154a Loans to students or parents of students; purpose; rules.

Sec. 4a. In addition to the powers enumerated in section 4, the authority may loan money to students or parents of students who are residents of this state to assist them to pay for the cost of the student's attendance at a degree-granting college or university located in this state. The authority shall promulgate rules under the

administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws, to establish payment and repayment terms for the loans authorized under this section.

History: Add. 1989, Act 96, Imd. Eff. June 21, 1989.

Administrative rules: R 390.1621 et seq. of the Michigan Administrative Code.

390.1155 Bonds; purposes; general obligation of authority; determination; resolution; requirements; issuance subject to agency financing reporting act; interest rate exchange or agreement; establishment of reserve fund.

Sec. 5. (1) The authority may issue bonds in the principal amounts necessary to provide money for achieving its purposes under this act, including, but not limited to, the payment of interest on bonds of the authority, the establishment of reserves, including 1 or more reserve funds described in subsection (6), to secure the bonds, and the payment of other expenditures of the authority incident to and necessary or convenient to carry out its purposes and powers. The authority may issue refunding bonds when it considers refunding expedient, whether the bonds to be refunded have or have not matured. The authority shall apply the proceeds of the refunding bonds to the purchase, redemption, or payment of the bonds refunded. Except as otherwise expressly provided in a resolution authorizing bonds, an issue of bonds is a general obligation of the authority to be satisfied out of revenues or money or other property of the authority, subject to an agreement with the holders of particular receipts, revenues, or other property of the authority that has been pledged or mortgaged.

(2) Bonds issued by the authority under this section are not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(3) The authority shall authorize bonds under this section by resolution. The bonds shall bear interest at a rate or rates, which are fixed for the term of the bonds or which are calculated upon a formula to vary; be in the denominations; be in a form approved by the authority; carry registration privileges; be executed in a manner; be payable in a medium of payment; and at a place or places; be subject to terms of redemption; and be subject to any other terms and conditions as the resolution or resolutions may provide. The bonds authorized under this section may be sold by the authority at public or private sale at a price determined by the authority. If the bonds are:

(a) Serial bonds or term bonds, or both, the bonds shall bear a date, and, if serial bonds, shall be payable either semiannually or annually, and shall mature at a time or times, not exceeding 40 years after the date of issue, as provided in the resolution or resolutions.

(b) Term loans, commercial paper, or other evidences of indebtedness, the bonds shall bear a date or dates, and shall mature at a time or times not exceeding 30 years after the date of issue, as provided in the resolution or resolutions.

(4) The issuance of bonds and notes under this section is subject to the agency financing reporting act, 2002 PA 470, MCL 129.171 to 129.177.

(5) For the purpose of more effectively managing its debt service, the authority may enter into an interest rate exchange or swap, hedge, or similar agreement with respect to its bonds or notes, on the terms and payable from the sources and with the security, if any, established by a resolution of the authority.

(6) The authority, with the approval of the state treasurer, may establish 1 or more special funds as reserve funds. All of the following apply to a reserve fund established under this section:

(a) The authority shall pay into a reserve fund money appropriated to that reserve fund; proceeds of the sale of bonds to the extent provided in the resolution or resolutions of the authority authorizing the issuance of the bonds; and any other money received by or available to the authority for the purpose of the reserve fund from any other source, including, but not limited to, a transfer of all or any portion of the authority's unencumbered net assets to the reserve fund.

(b) The authority shall establish by resolution a minimum balance for a reserve fund. Except as otherwise provided by resolution of the authority, the authority shall not withdraw money from a reserve fund if that withdrawal would reduce the balance of the reserve fund to an amount less than the minimum balance established under this subdivision for the reserve fund, except for payment of any debt service on the bonds secured by the reserve fund when due if the authority does not have other money available to make that payment.

(c) Money in a reserve fund shall be used only to provide security for bonds issued by the authority, including the pledge of all or any portion of the reserve fund to secure all or any portion of the bonds of the authority.

(d) If at any time a reserve fund is exhausted, on or before September 1 the chairperson of the authority shall certify to the governor and the state budget director the amount, if any, necessary to restore the balance

of the reserve fund to an amount equal to the minimum balance required under subdivision (b) for that reserve fund, and the governor and the state budget director shall include an appropriation to the authority for that reserve fund, in the amount certified by the chairperson, in the annual budget submitted to the legislature for the next state fiscal year.

History: 1975, Act 222, Eff. Oct. 1, 1975;—Am. 1976, Act 163, Imd. Eff. June 21, 1976;—Am. 1977, Act 50, Imd. Eff. July 5, 1977;—Am. 1978, Act 253, Imd. Eff. June 20, 1978;—Am. 1983, Act 122, Imd. Eff. July 18, 1983;—Am. 1984, Act 259, Imd. Eff. Dec. 7, 1984;—Am. 2002, Act 547, Imd. Eff. July 26, 2002;—Am. 2008, Act 269, Imd. Eff. Sept. 10, 2008.

390.1156 Bonds; pledge and agreement of state.

Sec. 6. The state pledges and agrees with the holders of bonds issued under this act that the state shall not limit or alter the rights vested in the authority to fulfill the terms of an agreement made with the holders of the bonds, and shall not impair the rights and remedies of the holders until the bonds, together with the interest on the bonds and interest on any unpaid installments of interest, and all costs and expenses in connection with an action or proceeding by or on behalf of those holders, are fully met and discharged. The authority is authorized to include this pledge and agreement of the state in an agreement with the holders of the bonds.

History: 1975, Act 222, Eff. Oct. 1, 1975.

390.1157 Bonds as investment securities.

Sec. 7. The bonds of the authority are securities, in which public officers and bodies of this state, municipalities and municipal subdivisions, insurance companies and associations, persons carrying on an insurance business, banks, trust companies, savings banks and savings associations, savings and loan associations, investment companies, administrators, guardians, executors, trustees, other fiduciaries, and all other persons who are authorized to invest in bonds or other obligations of the state, may properly and legally invest funds, including capital, in their control or belonging to them.

History: 1975, Act 222, Eff. Oct. 1, 1975.

390.1158 Disposition of moneys of authority; contracts with holders of bonds; audit.

Sec. 8. (1) The moneys of the authority, except as otherwise authorized or provided in this section, shall be paid to the state treasurer as an agent of the authority, or a fiscal agent as approved by the state treasurer, who shall not commingle the moneys with other moneys. The moneys shall be deposited in a separate bank account or accounts. The moneys in the accounts shall be paid out on warrants signed by the state treasurer or on checks or drafts of the fiscal agent approved by the state treasurer, on requisition of the chair of the authority or of another officer or employee authorized by the authority to make the requisition. Priority in the allocation for deposits in banks of funds received or collected by the authority under this act shall be based upon the interest rate offered by the bank for the deposit and the extent of the bank's participation as a lender for guaranteed student loans made pursuant to section 7 of Act No. 77 of the Public Acts of 1960, as amended, being section 390.957 of the Michigan Compiled Laws.

(2) The authority, subject to the approval of the state treasurer, may contract with the holders of its bonds as to the custody, collection, securing, investment, and payment of moneys of the authority, or of moneys held in trust or otherwise for the payment of bonds.

(3) The financial records of the authority shall be audited annually by the auditor general or by a certified public accountant appointed by the auditor general.

History: 1975, Act 222, Eff. Oct. 1, 1975;—Am. 1978, Act 253, Imd. Eff. June 20, 1978;—Am. 1987, Act 206, Eff. Jan. 1, 1988.

390.1158a Talent investment fund; creation; deposit of money and other assets; money remaining at close of fiscal year; administration; use of fund.

Sec. 8a. (1) The talent investment fund is created within the state treasury.

(2) The state treasurer may receive money or other assets from any source for deposit into the talent investment fund. The state treasurer shall direct the investment of the talent investment fund in accordance with section 4(h). The state treasurer shall credit to the talent investment fund interest and earnings from talent investment fund investments.

(3) Money in the talent investment fund at the close of the fiscal year shall remain in the talent investment fund and shall not lapse to the general fund.

(4) The department of treasury may be the administrator of the talent investment fund for auditing purposes.

(5) The department of treasury shall expend money from the fund, upon appropriation, only for the purpose of enhancing the economic talent of Michigan residents, increasing access to academic and technical credentials or certifications, improving educational opportunities, or other purposes as provided by law.

History: Add. 2018, Act 228, Imd. Eff. June 27, 2018.

390.1159 Tax exemptions; bonds and interest coupons negotiable; registration of bonds.

Sec. 9. (1) The authority shall not be required to pay taxes on property owned by the authority under this act or upon the income derived from the property. The bonds issued under this act, their transfer, and the income derived from the bonds, including a profit made on the sale of the bonds, shall be exempt from taxation by the state, a local unit of government or political subdivision, or other instrumentality of the state notwithstanding that the interest may be subject to federal income tax.

(2) Bonds issued under this act and the interest coupons, if any, attached to the bonds shall be fully negotiable and have all of the qualities incident to negotiable instruments under the uniform commercial code, Act No. 174 of the Public Acts of 1962, as amended, being sections 440.1101 to 440.11102 of the Michigan Compiled Laws, subject only to the provisions for registration of the bonds which may appear on the bonds.

History: 1975, Act 222, Eff. Oct. 1, 1975;—Am. 1984, Act 259, Imd. Eff. Dec. 7, 1984;—Am. 1987, Act 206, Eff. Jan. 1, 1988.

390.1160 Pledge by authority; lien of pledge; recording not required.

Sec. 10. A pledge made by the authority shall be valid and binding from the time the pledge is made. The moneys or property pledged and thereafter received by the authority shall immediately be subject to the lien of the pledge without physical delivery or further act. The lien of the pledge shall be valid and binding against all parties having a claim in tort, contract, or otherwise against the authority, irrespective of whether the parties have notice of the claim. Neither the resolution nor another instrument by which a pledge is created need be recorded.

History: 1975, Act 222, Eff. Oct. 1, 1975.

390.1161 Default; appointment and powers of trustee; rights of bondholders and trustee.

Sec. 11. (1) If the authority defaults in the payment of principal of or interest on an issue of bonds after the issue becomes due, whether at maturity or upon call for redemption, and the default continues for 30 days, or if the authority fails or refuses to comply with this act, or defaults in an agreement made with the holders of an issue of bonds, the holders of 25% in aggregate principal amount of the bonds of the issue then outstanding, by instrument or instruments filed in the office of the clerk of the county of Ingham and approved or acknowledged in the same manner as a deed to be recorded, may appoint a trustee to represent the holders of the bonds for the purposes provided in this section.

(2) The trustee may, and upon written request of the holders of 25% in principal amount of the bonds then outstanding shall, in his own name, by action or proceeding, enforce all rights of the bondholders, including the right to require the authority to collect fees, charges, interest, and amortization payments of loans made by it adequate to carry out the agreement as to, or pledge of, the fees, charges, interest, and amortization payment on the loans and other properties and to require the authority to carry out other agreements with the holders of the bonds and to perform its duties under this act; bring an action upon the bonds; bring an action to require the authority to account as if it were the trustee of an express trust for the holders of the bonds due and payable, and if all defaults are made good, then, with the consent of the holders of 25% of the principal amount of the bonds then outstanding, to annul the declaration and its consequences.

(3) The holders of bonds and the trustee authorized by this section shall have all of the rights to which they are entitled by virtue of provisions included in the bonds or otherwise available to them under law.

History: 1975, Act 222, Eff. Oct. 1, 1975.

390.1162 Loans to students or parents of students; rules; basis of determining amount of loan; description of options; federally reinsured loans; variable repayment schedules; revised repayment term or schedule.

Sec. 12. (1) The authority may make loans to students enrolled or to be enrolled in eligible institutions or to the parents of students out of moneys available to the authority for loans. The authority shall promulgate rules for determining the needs of the respective students and parents of students for loans and for the purpose of making loans. The amount of a loan made by the authority to a student or parent of a student, whether the student is enrolled or is to be enrolled in a private institution or a tax-supported public institution, shall be determined by the authority upon the basis of substantially similar standards and guides for any authority loan program set forth in the authority's rules. The authority, in determining the needs of students or parents of students for loans, may consider the amount of assistance available to the students.

(2) At the time the authority makes a loan, and again when a repayment schedule on the loan is provided to the borrower, the authority shall describe in detail whether an option exists, and if so, who may exercise the option, under what conditions the option may be exercised, and what options are available relating to all of

the following:

- (a) The term of the loan.
- (b) The repayment period on the loan.
- (c) An extension of the term or repayment period on the loan and the conditions of repayment under the extension.
- (d) A deferment or forbearance on the repayment of the loan or on interest accruing on the loan, whether interest is to be paid during the deferment or forbearance, and the terms of repayment after the deferment or forbearance.
- (e) The period of time between installment payments on the loan and whether graduated or unequal installment payments may be made.
- (f) The minimum annual payment on the loan, and if more than 1 loan is taken from the authority or if the borrower takes or has taken an educational loan from another source, the availability of consolidation, transfer, or assignment of the loans and the minimum annual payment on the aggregate of the loans.
- (g) The availability of loan counseling to answer questions relating to repayment options.
- (h) The revision or renegotiation of the repayment schedule on the loan after repayment has commenced, or if other educational loans from the authority or another source are taken after the repayment has commenced.

(3) On loans made by the authority which are federally reinsured loans, the authority may establish variable repayment schedules conforming to the need and documented income levels of borrowers, if the schedules are not inconsistent with the federal laws, rules, or regulations governing the reinsured loans. A borrower making payments on a loan may request and be granted a revised repayment term or schedule based upon the established variable repayment schedules.

History: 1975, Act 222, Eff. Oct. 1, 1975;—Am. 1978, Act 253, Imd. Eff. June 20, 1978;—Am. 1987, Act 206, Eff. Jan. 1, 1988.

Administrative rules: R 390.1601 et seq. of the Michigan Administrative Code.

390.1163 Personal liability.

Sec. 13. A member of the authority or a person executing the notes, bonds, or other obligations of the authority is not personally liable for the repayment of the note, bond, or other obligation or subject to personal liability or accountability by reason of the issuance or nonissuance thereof.

History: 1975, Act 222, Eff. Oct. 1, 1975.

390.1164 Repealed. 1976, Act 163, Imd. Eff. June 21, 1976.

Compiler's note: The repealed section provided for an advisory opinion as to constitutionality.

390.1165 Effective date.

Sec. 15. This act shall not take effect until October 1, 1975.

History: 1975, Act 222, Eff. Oct. 1, 1975.

MICHIGAN NURSING SCHOLARSHIP ACT
Act 591 of 2002

AN ACT to establish an educational scholarship program for eligible resident students enrolled in certain nursing programs; to prescribe conditions for repayment of the scholarships; to provide for the administration of the Michigan nursing scholarship program; and to prescribe certain powers and duties of certain state officers, agencies, and departments.

History: 2002, Act 591, Imd. Eff. Oct. 17, 2002.

The People of the State of Michigan enact:

390.1181 Short title.

Sec. 1. This act shall be known and may be cited as the "Michigan nursing scholarship act".

History: 2002, Act 591, Imd. Eff. Oct. 17, 2002.

Compiler's note: For transfer of powers and duties of Michigan higher education assistance authority to department of treasury, see E.R.O. No. 2010-2, compiled at MCL 124.194.

390.1182 Definitions.

Sec. 2. As used in this act:

(a) "Authority" means the Michigan higher education assistance authority created by 1960 PA 77, MCL 390.951 to 390.961.

(b) "Eligible costs" means tuition and fees charged by an eligible institution; related costs for room, board, books, supplies, transportation, or day care; and other costs determined by the authority.

(c) "Eligible employment" means either of the following:

(i) Teaching in a nursing program.

(ii) A registered nurse or licensed practical nurse providing full-time nursing care, or part-time nursing care if section 7 applies, in a ward, emergency department, emergency room, operating room, or trauma center of a hospital licensed under article 17 of the public health code, 1978 PA 368, MCL 333.20101 to 333.22260, in a nursing home or hospice licensed under article 17 of the public health code, 1978 PA 368, MCL 333.20101 to 333.22260, in a health facility or agency licensed under article 17 of the public health code, 1978 PA 368, MCL 333.20101 to 333.22260, that provides nonemergency health care to patients without receiving compensation for providing that nonemergency health care, or in a clinic or other health care program operated by a local health department that provides 1 or more required services under part 24 of the public health code, 1978 PA 368, MCL 333.2401 to 333.2498, or as an employee of a home health care agency providing home patient care.

(d) "Eligible institution" means a degree or certificate granting public or independent nonprofit college or university, junior college, or community college in this state.

(e) "Licensed practical nurse" means an individual licensed to engage in the practice of nursing as a licensed practical nurse as defined in section 17201 of the public health code, 1978 PA 368, MCL 333.17201.

(f) "Nursing program" means either of the following:

(i) A program for the training of individuals to become registered nurses or licensed practical nurses operated in this state by an eligible institution and approved by the Michigan board of nursing.

(ii) A master's degree in nursing program operated in this state by an eligible institution and approved by the Michigan board of nursing.

(g) "Registered professional nurse" means that term as defined in section 17201 of the public health code, 1978 PA 368, MCL 333.17201.

History: 2002, Act 591, Imd. Eff. Oct. 17, 2002;—Am. 2006, Act 444, Imd. Eff. Nov. 27, 2006.

Compiler's note: For transfer of powers and duties of Michigan higher education assistance authority to department of treasury, see E.R.O. No. 2010-2, compiled at MCL 124.194.

390.1183 Michigan nursing scholarship program; creation; administration; duties of authority.

Sec. 3. The Michigan nursing scholarship program is created, to be administered by the authority. The authority shall do all of the following:

(a) Award scholarships to eligible students pursuant to this act.

(b) Develop a scholarship agreement to be entered into by a scholarship recipient and the authority that contains the terms of a scholarship made under this act and the rights and obligations of the scholarship recipient and the authority.

(c) Collect repayment of scholarships if required under section 7.

(d) Conduct periodic audits of scholarship recipients to ensure compliance with the terms of the scholarship agreement and take necessary steps to enforce the terms of the scholarship agreement.

(e) Publicize the Michigan nursing scholarship program and recruit qualifying students to participate in the Michigan nursing scholarship program.

(f) Promulgate rules, as necessary to implement this act, pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328. The rules may include additional standards of eligibility for students to receive scholarships under this act.

History: 2002, Act 591, Imd. Eff. Oct. 17, 2002.

Compiler's note: For transfer of powers and duties of Michigan higher education assistance authority to department of treasury, see E.R.O. No. 2010-2, compiled at MCL 124.194.

390.1184 Scholarship award; criteria.

Sec. 4. The authority may award a scholarship under this act to an individual determined by the authority to meet all of the following eligibility criteria:

(a) Is a United States citizen or permanent resident of the United States.

(b) Has resided continuously in this state for the 12 months immediately preceding the date of his or her application and is not a resident of any other state.

(c) Is enrolled or has been accepted into a nursing program.

(d) Has signed a written scholarship agreement with the authority stating the individual's intention to pursue nursing as a career and to serve in eligible employment in this state for not less than 1 of the following periods:

(i) One year if the individual received scholarship assistance under this act in 1 academic year of full-time enrollment in a nursing program.

(ii) Two years if the individual received scholarship assistance under this act in 2 academic years of full-time enrollment in a nursing program.

(iii) Three years if the individual received scholarship assistance under this act in 3 academic years of full-time enrollment in a nursing program.

(iv) Four years if the individual received scholarship assistance under this act in 4 academic years of full-time enrollment in a nursing program.

(e) Is in compliance with this act and the rules promulgated under this act.

(f) Has not been convicted of a felony involving an assault, physical injury, or death.

(g) Meets any other standards established in rules promulgated by the authority under section 3.

History: 2002, Act 591, Imd. Eff. Oct. 17, 2002.

390.1185 Scholarship amount; determination; limitation.

Sec. 5. (1) Subject to subsection (2), each scholarship recipient shall receive a \$4,000.00 scholarship for 1 academic year of full-time enrollment, or a partial scholarship for part-time enrollment, in a nursing program. The authority shall determine the amount of a partial scholarship by multiplying \$4,000.00 by the number of credit hours for which a student enrolls in an academic year, and dividing the product by 30 if the nursing program uses semester credits or by 45 if the nursing program uses term credits.

(2) A scholarship described in subsection (1) shall not exceed an amount equal to the recipient's eligible costs minus any other grants or scholarships the recipient receives in any academic year in a nursing program.

(3) An individual shall not receive scholarship assistance for more than 4 academic years.

History: 2002, Act 591, Imd. Eff. Oct. 17, 2002.

390.1186 Duration of payments.

Sec. 6. Recipients of scholarship assistance under this act shall continue to receive scholarship payments only during periods that the authority finds that the recipient is both of the following:

(a) Enrolled as a full-time or part-time student in a nursing program.

(b) Maintaining satisfactory progress as determined by the eligible institution.

History: 2002, Act 591, Imd. Eff. Oct. 17, 2002.

390.1187 Agreement; provisions; disclosure of terms and conditions; noncompliance; deferred or excused repayment.

Sec. 7. (1) An individual shall not receive a scholarship under this act unless he or she enters into a written agreement with the authority, in which he or she agrees to all of the following:

(a) To obtain a license from this state as a registered professional nurse or licensed practical nurse within 1

year after completing the nursing program for which the scholarship was awarded.

(b) Beginning within 1 year after completing the nursing program for which the scholarship was awarded, to serve for the period of eligible employment applicable to the individual under section 4(d) in this state.

(c) To provide the authority evidence of compliance with section 6 as required by the authority.

(d) Except as provided in subsection (4), (5), (6), or (7), if the conditions in subdivisions (a) and (b) are not satisfied, to repay all or part of a scholarship award received under this act plus interest and, if applicable, reasonable collection fees, in compliance with rules promulgated by the authority.

(2) The agreement described in subsection (1) must fully disclose the terms and conditions under which scholarship assistance under this act is provided and under which repayment may be required. The agreement must include a description of both of the following:

(a) The appeals procedures established by the authority under which a recipient may appeal a determination of noncompliance with any provision under this act.

(b) The procedures under which a recipient of assistance received under this act who serves in eligible employment in this state for less than the period required under subsection (1) may have the repayment requirements extended under subsection (4) or excused under subsection (5), (6), or (7).

(3) The authority shall require recipients found by the authority to be in noncompliance with the agreement entered into under this section to repay the scholarship awards received, plus interest, but in no event at an interest rate higher than the rate applicable to other student loans guaranteed by the authority in that time period and, where applicable, reasonable collection fees, on a schedule and at a rate of interest to be prescribed by the authority by rule.

(4) A recipient is not in violation of the agreement entered into pursuant to subsection (1) and any repayment obligation is deferred during any period in which the recipient meets 1 of the following:

(a) Is pursuing a full-time course of study related to the field of nursing at an eligible institution.

(b) Is serving as a member of the armed services of the United States for a period of 3 years or less.

(c) Is temporarily totally disabled for a period of 3 years or less, as established by sworn affidavit of a qualified physician.

(d) Satisfies the provisions of any other repayment exceptions prescribed by the authority by rule.

(5) A recipient is not in violation of the agreement entered into pursuant to subsection (1), and the recipient may be excused from repayment of any scholarship assistance received under this act, if the recipient is employed providing part-time nursing care and all of the following are met:

(a) The department by rule has established a minimum average number of hours per week a recipient must be employed providing nursing care to qualify as providing part-time nursing care for the purposes of this subsection, and the recipient meets this requirement.

(b) The recipient is engaged in eligible employment in this state.

(c) The recipient provides part-time nursing care for not less than 1 of the following periods:

(i) Two years if the recipient received a \$4,000.00 scholarship under this act for 1 academic year of full-time enrollment in a nursing program. If the recipient received a partial scholarship for 1 academic year of part-time enrollment, this 2-year time period is reduced to a time period determined by multiplying 2 years by a fraction, the numerator of which is the dollar amount of the partial scholarship and the denominator of which is \$4,000.00.

(ii) Four years if the recipient received two \$4,000.00 scholarships under this act for 2 academic years of full-time enrollment in a nursing program. If the recipient received partial scholarships for 2 academic years of part-time enrollment, this 4-year time period is reduced to a time period determined by multiplying 4 years by a fraction, the numerator of which is the dollar amount of the partial scholarships and the denominator of which is \$8,000.00.

(iii) Six years if the recipient received three \$4,000.00 scholarships under this act for 3 academic years of full-time enrollment in a nursing program. If the recipient received partial scholarships for 3 academic years of part-time enrollment, this 6-year time period is reduced to a time period determined by multiplying 6 years by a fraction, the numerator of which is the dollar amount of the partial scholarships and the denominator of which is \$12,000.00.

(iv) Eight years if the recipient received four \$4,000.00 scholarships under this act for 4 academic years of full-time enrollment in a nursing program. If the recipient received partial scholarships for 4 academic years of part-time enrollment, this 8-year time period is reduced to a time period determined by multiplying 8 years by a fraction, the numerator of which is the dollar amount of the partial scholarships and the denominator of which is \$16,000.00.

(6) A recipient is not in violation of the agreement entered into pursuant to subsection (1), and the recipient may be excused from repayment of any scholarship assistance received under this act, if the recipient meets both of the following:

(a) Received 1 or more partial scholarships under this act for part-time enrollment in a nursing program.

(b) Is engaged in full-time, eligible employment in this state for not less than 1 of the following time periods:

(i) If the recipient received a partial scholarship for 1 academic year of part-time enrollment, a time period determined by multiplying 1 year by a fraction, the numerator of which is the dollar amount of the partial scholarship and the denominator of which is \$4,000.00.

(ii) If the recipient received partial scholarships for 2 academic years of part-time enrollment, a time period determined by multiplying 2 years by a fraction, the numerator of which is the dollar amount of the partial scholarships and the denominator of which is \$8,000.00.

(iii) If the recipient received partial scholarships for 3 academic years of part-time enrollment, a time period determined by multiplying 3 years by a fraction, the numerator of which is the dollar amount of the partial scholarships and the denominator of which is \$12,000.00.

(iv) If the recipient received partial scholarships for 4 academic years of part-time enrollment, a time period determined by multiplying 4 years by a fraction, the numerator of which is the dollar amount of the partial scholarships and the denominator of which is \$16,000.00.

(7) A recipient is excused from repayment of any scholarship assistance received under this act if the recipient becomes permanently and totally disabled as established by sworn affidavit of a qualified physician or dies or if circumstances occur that the authority considers as a compelling reason to excuse repayment.

History: 2002, Act 591, Imd. Eff. Oct. 17, 2002.

390.1188 Restricted account; reversion.

Sec. 8. (1) The department of treasury shall establish and administer a restricted account in the general fund for the Michigan nursing scholarship program. The department of treasury shall credit to the account money appropriated from the Michigan merit award trust fund established in section 3 of the Michigan merit award scholarship act, 1999 PA 94, MCL 390.1453, or received from any other source including, but not limited to, amounts repaid to the authority on scholarships awarded under this act and earnings in the account. The department of treasury shall use the money in the account only to provide money to the authority for scholarships awarded under this act.

(2) Money in the account at the end of a fiscal year shall not revert to the general fund but shall be carried over in the account to the next fiscal year.

History: 2002, Act 591, Imd. Eff. Oct. 17, 2002.

390.1189 Report.

Sec. 9. Not later than November 1, the authority shall annually submit a report to the state budget director, the house and senate appropriation subcommittees on higher education, and the house and senate fiscal agencies for the preceding fiscal year on the nursing scholarship program. The report shall include, but is not limited to, the number of full and partial scholarships, the total dollar amount of scholarships awarded, the type of eligible institutions in which the scholarship recipients enrolled, and the number of scholarships, if any, for which students have incurred a repayment obligation under section 7(3).

History: 2002, Act 591, Imd. Eff. Oct. 17, 2002.

MICHIGAN INTERNSHIP PROGRAM
Act 154 of 1976

AN ACT to authorize the department of civil service to create a Michigan internship office and to prescribe its powers and duties; to create an advisory board; and to establish the Michigan internship program and prescribe its purposes.

History: 1976, Act 154, Imd. Eff. June 17, 1976.

The People of the State of Michigan enact:

390.1201 Michigan internship office; creation; purpose.

Sec. 1. The department of civil service may create and develop a Michigan internship office to conduct a Michigan internship program to provide opportunities for students to learn through participation in government affairs.

History: 1976, Act 154, Imd. Eff. June 17, 1976.

390.1202 Michigan internship program; purposes.

Sec. 2. The purposes of the Michigan internship program shall be:

(a) To provide immediate personnel assistance to government agencies through the work of students concerned with government affairs.

(b) To provide constructive service-learning opportunities for students seeking to participate in the solution of government problems.

(c) To encourage young people to consider careers in government programs.

(d) To provide additional avenues of communications between institutions of higher learning and government programs by making the resources of the universities and colleges more accessible to government agencies and providing a means for relating curriculum, teaching, and research to contemporary societal needs as expressed in government programs.

History: 1976, Act 154, Imd. Eff. June 17, 1976.

390.1203 Department of civil service; powers and duties.

Sec. 3. (1) The department of civil service shall:

(a) Have general supervision over the Michigan internship program established in section 2.

(b) In cooperation with the legislative, executive, and judicial branches of government, develop academic, stipendiary, and volunteer internship programs with governmental agencies.

(c) Offer the opportunity for participation in the internship program to the broadest possible spectrum of students enrolled in Michigan postsecondary education programs.

(d) Seek and develop sources of public and private support for the growth of internship programs in this state.

(2) The department of civil service may apply for and receive from a person, or a federal, state, or local governmental agency, or a private foundation appropriations or gifts to carry out the purposes of the internship program.

History: 1976, Act 154, Imd. Eff. June 17, 1976.

390.1204 Advisory board to Michigan internship office; creation; purpose; appointment and qualifications of members; expenses.

Sec. 4. An advisory board to the Michigan internship office is created to assist in assuring the educational quality of the internship program. The advisory board shall consist of 12 members, of whom 4 shall be representatives of the department of education, 4 shall be representatives of the department of civil service, and 4 shall be representatives from institutions of postsecondary education. Appointments to the advisory board shall be made by the state personnel director. Expenses of the advisory board members shall be assumed by their respective participating agencies or institutions.

History: 1976, Act 154, Imd. Eff. June 17, 1976.

390.1205 Planning and supervising specific assignments and activities of interns.

Sec. 5. The governmental agency selecting and accepting a student intern shall plan and supervise the intern's specific assignments and activities in cooperation with the Michigan internship office and the educational institution in which the intern is enrolled.

History: 1976, Act 154, Imd. Eff. June 17, 1976.

390.1206 Status report.

Sec. 6. The department of civil service shall report to the house and senate education committees by March 31, 1977, on the status of the Michigan internship office.

History: 1976, Act 154, Imd. Eff. June 17, 1976.

390.1207 Use of general fund moneys prohibited.

Sec. 7. General fund moneys shall not be used for the purposes of performing the administrative functions of the Michigan internship office.

History: 1976, Act 154, Imd. Eff. June 17, 1976.

DISCLOSURES AS TO LOANS FOR EDUCATIONAL PURPOSES
Act 167 of 1976

AN ACT to require certain lenders make certain disclosures in the making and collection of certain loans for educational purposes.

History: 1976, Act 167, Imd. Eff. June 25, 1976.

The People of the State of Michigan enact:

390.1221 Definitions.

Sec. 1. As used in this act:

(a) "Lender" means an institution of higher education, a vocational school, a state agency, or a financial or credit institution in this state which makes or has made loans for educational purposes.

(b) "Loan" means a loan of money for educational purposes to a person enrolled or accepted for enrollment at an institution of higher education or a vocational school in this state, which loan is insured, reinsured, subsidized, guaranteed, or made by the state or an agency thereof, or which is insured, reinsured, subsidized, or guaranteed by the United States government or an agency thereof.

History: 1976, Act 167, Imd. Eff. June 25, 1976.

390.1222 Delivery of written statement to borrower; time; contents.

Sec. 2. (1) At the time a loan is made, and again immediately before a repayment schedule on the loan is signed by the borrower, the lender shall deliver a written statement to the borrower describing in detail whether an option exists, and if so, who may exercise the option, under what conditions the option may be exercised, and what options are available relating to:

(a) The term of the loan.

(b) The repayment period on the loan.

(c) An extension of the term or repayment period on the loan and the conditions of repayment under the extension.

(d) A deferment or forbearance on the repayment of the loan or on interest accruing on the loan, whether interest is to be paid during the deferment or forbearance, and the terms of repayment after the deferment or forbearance.

(e) The period of time between installment payments on the loan and whether graduated or unequal installment payments may be made.

(f) The minimum annual payment on the loan, and if more than 1 loan is taken from the lender or if the borrower takes or has taken a loan from another source, the availability of consolidation, transfer, or assignment of the loans and the minimum annual payment on the aggregate of the loans.

(g) The granting of an interview before or at the time the borrower signs a repayment schedule on the loan.

(h) The revision or renegotiation of the repayment schedule on the loan after repayment has commenced, or if other loans from the lender or another lender are taken after the repayment has commenced.

(2) If an item required to be disclosed under subsection (1) is unknown to the lender, the lender shall state this in the manner prescribed in subsection (1).

History: 1976, Act 167, Imd. Eff. June 25, 1976.

390.1223 Disclosure of restrictive policies or practices.

Sec. 3. If a lender follows or adopts a policy or practice with respect to loans which restricts a repayment option or condition permitted to be made available on the loan, the lender shall disclose this in the manner prescribed in section 2(1) and shall describe how the lender's policy or practice is more restrictive than that permitted.

History: 1976, Act 167, Imd. Eff. June 25, 1976.

390.1224 Notice to obligor of items required to be disclosed.

Sec. 4. A lender shall send a notice detailing the items required to be disclosed by section 2(1) to an obligor on a loan who requests the information in good faith. Thirty days before a lender places a loan in default status, the lender shall send a written notice to the obligor's last known address detailing the items required to be disclosed by section 2(1) and informing the obligor of the lender's intention to place the loan in default status.

History: 1976, Act 167, Imd. Eff. June 25, 1976.

DISCLOSURES AS TO GRANTS AND CONTRACTS
Act 90 of 1986

AN ACT to require disclosures by colleges regarding certain grants and contracts; to impose duties on the department of management and budget and the attorney general; and to prescribe penalties.

History: 1986, Act 90, Imd. Eff. May 1, 1986.

The People of the State of Michigan enact:

390.1231 Definitions.

Sec. 1. As used in this act:

- (a) "College" means a public institution of higher education in this state.
- (b) "Contract" means an agreement between a college and a foreign entity for the acquisition, by purchase, lease, or barter, of property or services for the direct benefit or use of either of the parties.
- (c) "Department" means the department of management and budget.
- (d) "Fiscal quarter" means a 3-month period ending on January 31, April 30, July 31, or October 31.
- (e) "Foreign entity" means a nonresident alien, a corporation, foundation, or association whose principal place of business is outside of the United States, a foreign government, an agency or subdivision of a foreign government, or an agent registered under the foreign agent's registration act, 22 U.S.C. 611 to 621, when acting in that capacity.
- (f) "Grant" means a gift or donation of money or property, or any combination of these, which in any 1 year exceeds \$100,000.00 made by a foreign entity.

History: 1986, Act 90, Imd. Eff. May 1, 1986.

390.1232 Notice of grant or contract; contents; new public record; disclosures as public records.

Sec. 2. (1) Every college which during any calendar year receives a grant, or enters into a contract, the aggregate value of which exceeds \$100,000.00, shall notify the department's office of revenue and tax analysis in writing not later than 20 days after the close of the fiscal quarter in which the grant was received or the contract entered into.

(2) Each notification required by this act shall provide all of the following information:

- (a) The name and address of the donor of the grant or the parties to the contract.
- (b) The amount and date of the contract.
- (c) If a grant or contract is conditional, matching, or designated for a specific purpose, a full description of the condition, matching condition, or designation.
- (d) The subject of the grant or contract.
- (e) The name, title, and qualifications of any person or group whom the grant is explicitly intended to benefit.

(3) This section does not require a college to create a new public record if all of the information required by subsection (2) is already contained in an existing record which can be provided to the department's office of revenue and tax analysis.

(4) All disclosures provided pursuant to this act shall be public records subject to the freedom of information act, Act No. 442 of the Public Acts of 1976, being sections 15.231 to 15.246 of the Michigan Compiled Laws.

History: 1986, Act 90, Imd. Eff. May 1, 1986.

390.1233 Rules; enforcement of act; civil fine.

Sec. 3. (1) The department shall promulgate rules to implement this act pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws.

(2) The attorney general shall have the authority to enforce the provisions of this act by bringing an action in a court of competent jurisdiction.

(3) If a college fails to report any grant or contract subject to this act, the college shall be assessed a civil fine in an amount equal to 5% of the grant or contract not reported. The fine shall be credited to the general fund of the state.

History: 1986, Act 90, Imd. Eff. May 1, 1986.

POLICE OFFICER'S AND FIRE FIGHTER'S SURVIVOR TUITION GRANT ACT
Act 195 of 1996

AN ACT to provide for a tuition grant program at state public institutions of higher education for children and surviving spouses of Michigan police officers and fire fighters killed in the line of duty; to provide for the administration of that tuition grant program; to prescribe certain powers and duties of state officers, agencies, and departments; and to provide for an appropriation.

History: 1996, Act 195, Imd. Eff. May 15, 1996;—Am. 2012, Act 470, Imd. Eff. Dec. 27, 2012.

The People of the State of Michigan enact:

390.1241 Short title.

Sec. 1. This act shall be known and may be cited as the "police officer's and fire fighter's survivor tuition grant act".

History: 1996, Act 195, Imd. Eff. May 15, 1996;—Am. 2012, Act 470, Imd. Eff. Dec. 27, 2012.

390.1242 Definitions.

Sec. 2. As used in this act:

(a) "Academic year" means the period from September 1 of a calendar year to August 31 of the next calendar year.

(b) "Child" means an individual who is a natural or adopted child of a deceased Michigan police officer or deceased Michigan fire fighter and who was under the age of 21 at the time of the Michigan police officer's or Michigan fire fighter's death.

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

(d) "Eligible student" means a child or surviving spouse of a Michigan police officer or Michigan fire fighter who was or is killed in the line of duty.

(e) "Eligible tuition" means the tuition charged by a state institution of higher education for an undergraduate class.

(f) "Gift aid" means formal scholarships or grants from sources that do not require repayment.

(g) "Killed" means that the Michigan police officer's or Michigan fire fighter's death is the direct and proximate result of a traumatic injury incurred in the line of duty.

(h) "Line of duty" means an action that a Michigan police officer or Michigan fire fighter is obligated or authorized to perform by rule, regulation, condition of employment or service, or law, including, but not limited to, a social, ceremonial, or athletic function that the Michigan police officer or Michigan fire fighter is assigned to or compensated for by the public agency he or she serves.

(i) "Michigan police officer" means a sheriff or sheriff's deputy of a sheriff's department in this state; village or township marshal of a village or township in this state; officer of the police department of any city, village, or township in this state; officer of the Michigan state police; or any other police officer or law enforcement officer trained and licensed or certified under the Michigan commission on law enforcement standards act, 1965 PA 203, MCL 28.601 to 28.615.

(j) "Michigan fire fighter" means a member including volunteer members and members paid on call of a fire department, or other organization that provides fire suppression and other fire-related services, of a city, township, village, or county who is responsible for or is in a capacity that includes responsibility for the extinguishment of fires. Michigan fire fighter does not include a person whose job description, duties, or responsibilities do not include direct involvement in fire suppression.

(k) "Occupational disease" means a disease that routinely constitutes a special hazard in, or is commonly regarded as concomitant of, the Michigan police officer's or Michigan fire fighter's occupation.

(l) "State institution of higher education" means a public community or junior college established under section 7 of article VIII of the state constitution of 1963 or part 25 of the revised school code, 1976 PA 451, MCL 380.1601 to 380.1607, or a state university described in section 4, 5, or 6 of article VIII of the state constitution of 1963.

(m) "Survivor's tuition grant" means a tuition grant awarded to an eligible student under this act.

(n) "Traumatic injury" means a wound or the condition of the body caused by external force, including, but not limited to, an injury inflicted by bullet, explosive, sharp instrument, blunt object or other physical blow, fire, smoke, chemical, electricity, climatic condition, infectious disease, radiation, or bacteria, but excluding an injury resulting from stress, strain, or occupational disease.

(o) "Undergraduate class" means a class or course that provides a student with academic credit applicable toward a bachelor or associate degree from a state institution of higher education.

History: 1996, Act 195, Imd. Eff. May 15, 1996;—Am. 2012, Act 470, Imd. Eff. Dec. 27, 2012;—Am. 2016, Act 295, Eff. Jan. 2, 2017;—Am. 2021, Act 127, Imd. Eff. Dec. 17, 2021.

390.1243 Police officer's and fire fighter's survivor tuition program; creation; administration; amount of eligible tuition; reduction.

Sec. 3. (1) The police officer's and fire fighter's survivor tuition program is created, to be administered by the department.

(2) Beginning in the 2012-2013 academic year, the department shall provide a survivor's tuition grant in an amount determined by the department under subsection (3) to each eligible student if all of the following requirements are met:

(a) The student applies, qualifies, and is admitted as a full-time, part-time, or summer school student in a program of study leading to a degree or certificate at a state institution of higher education.

(b) The student is a legal resident of the state for at least the 12 consecutive months immediately preceding his or her application. For an individual who is a dependent of his or her parent, residency status shall be determined by the parent's residency. For an individual who is not a dependent, residency status is determined in the same manner as under 20 USC 1070 to 1070h.

(c) The student applies to the department for a survivor's tuition grant under this act and provides evidence satisfactory to the department that he or she is an eligible student, that the course or courses for which he or she is seeking a survivor's tuition grant meet the requirements of subsection (3), and that he or she meets the other requirements of this section.

(d) If the student is a child of a Michigan police officer or Michigan fire fighter who was killed in the line of duty, he or she applies for a survivor's tuition grant under subdivision (c) for the first time before the age of 26.

(e) The financial aid officer at the state institution of higher education certifies to the department that the student's eligible tuition expenses exceed the total of all other gift aid available to the student; certifies the amount of that excess; and certifies that the tuition rate or rates used to determine the amount of that excess are not greater than the rate or rates charged to residents of this state.

(f) The student maintains satisfactory academic progress, as defined by the state institution of higher education, for each term or semester in which he or she is enrolled. The satisfactory progress definition used by an institution for federal student assistance programs under 20 USC 1070 to 1070h is acceptable for the purposes of this act.

(g) The student has not received a bachelor's degree and has received tuition assistance under this act for fewer than 124 semester credits or 180 term credits at an institution of higher education.

(h) The student has not received a survivor's tuition grant in more than a total of 9 semesters or the equivalent number of terms or quarters.

(3) The amount of a survivor's tuition grant in an academic year is the amount of the student's eligible tuition in that academic year less all other gift aid available to the eligible student. The department may reduce the amount of a survivor's tuition grant if it determines that the tuition rate or rates used by the state institution of higher education under subsection (2)(e) to determine the amount of the survivor's tuition grant are greater than the tuition rate or rates charged by the institution in that academic year to residents of this state.

History: 1996, Act 195, Imd. Eff. May 15, 1996;—Am. 2012, Act 470, Imd. Eff. Dec. 27, 2012;—Am. 2021, Act 127, Imd. Eff. Dec. 17, 2021.

390.1244 Approval of application by department; report to legislature; determination by department of state police.

Sec. 4. (1) Beginning in the 2012-2013 academic year, if it receives an application under section 3(2)(c) and subject to subsection (4), the department shall determine whether the applicant and the courses for which a survivor's tuition grant is sought meet the requirements of section 3 and, if so, shall approve the application and notify the state institution of higher education that it has approved the application.

(2) All of the following apply if the department approves a survivor's tuition grant under subsection (1):

(a) The department shall disburse the survivor's tuition grant money to the state institution of higher education that the student attends, according to a payment procedure established by the department.

(b) The institution shall only apply money received under subdivision (a) on a student's behalf to the student's outstanding indebtedness for eligible tuition.

(3) The department annually shall report to the legislature the number of individuals who received survivor's tuition grants in the preceding academic year and the total amount of those grants; which state institutions of higher education those students attended; and the total amount disbursed to each institution.

(4) If it receives an application under section 3(2)(c), the department shall submit the evidence provided by the applicant that he or she is an eligible student to the department of state police for a determination of whether the Michigan police officer's or Michigan fire fighter's death was the direct and proximate result of a traumatic injury incurred in the line of duty. The department shall not award a survivor's tuition grant unless the department of state police determines that the death was the direct and proximate result of a traumatic injury incurred in the line of duty.

History: 1996, Act 195, Imd. Eff. May 15, 1996;—Am. 2012, Act 470, Imd. Eff. Dec. 27, 2012.

390.1245 Duties of department and department of state police.

Sec. 5. (1) The department shall do all of the following:

- (a) Administer the survivor's tuition grant program.
- (b) Verify the tuition rates certified by state institutions of higher education under section 3(2)(e).
- (c) Develop and provide forms and applications for use by survivor's tuition grant applicants, state institutions of higher education, the department of state police, and the department under this act.
- (d) Cooperate with the department of state police and with the state institutions of higher education in developing efficient procedures for implementing the purposes of this act.

(2) The department of state police shall develop appropriate procedures for meeting its responsibilities under section 4. The department of state police shall consult with the department in developing those procedures.

History: 1996, Act 195, Imd. Eff. May 15, 1996;—Am. 2012, Act 470, Imd. Eff. Dec. 27, 2012.

390.1246 Annual appropriation.

Sec. 6. The legislature annually shall appropriate the funds necessary to implement this act.

History: 1996, Act 195, Imd. Eff. May 15, 1996.

WAIVER OF TUITION FOR NORTH AMERICAN INDIANS
Act 174 of 1976

An act to provide free tuition for state resident North American Indians in Michigan public community colleges, public universities, and certain federal tribally controlled community colleges; and to prescribe certain powers and duties of certain state departments, commissions, and agencies.

History: 1976, Act 174, Eff. Aug. 1, 1976;—Am. 1993, Act 106, Imd. Eff. July 15, 1993.

The People of the State of Michigan enact:

390.1251 Waiver of tuition for North American Indians; qualifications; participation of federal tribally controlled community college; eligibility for reimbursement.

Sec. 1. (1) A Michigan public community college or public university or a federal tribally controlled community college described in subsection (2) shall waive tuition for any North American Indian who qualifies for admission as a full-time, part-time, or summer school student, and is a legal resident of the state for not less than 12 consecutive months.

(2) A federal tribally controlled community college may participate in the tuition waiver program under this act and be eligible for reimbursement under section 2a if it meets all of the following:

(a) Is recognized under the tribally controlled community college assistance act of 1978, Public Law 95-471, 92 Stat. 1325.

(b) Is determined by the department of education to meet the requirements for accreditation by a recognized regional accrediting body.

History: 1976, Act 174, Eff. Aug. 1, 1976;—Am. 1978, Act 505, Imd. Eff. Dec. 13, 1978;—Am. 1993, Act 106, Imd. Eff. July 15, 1993.

Compiler's note: For transfer of authority, powers, duties, functions, and responsibilities of the Michigan higher education assistance authority, the Michigan higher education student loan authority, and the office of student financial assistance services in the department of education to the department of treasury, see E.R.O. No. 1995-2, compiled at MCL 12.181 of the Michigan Compiled Laws.

390.1252 "North American Indian" defined.

Sec. 2. For the purposes of this act, "North American Indian" means a person who is not less than 1/4 quantum blood Indian as certified by the person's tribal association and verified by the Michigan commission on Indian Affairs.

History: 1976, Act 174, Eff. Aug. 1, 1976;—Am. 1978, Act 505, Imd. Eff. Dec. 13, 1978.

390.1252a Reimbursement of tuition waived; report.

Sec. 2a. The Michigan commission on Indian Affairs shall annually, upon application therefore, reimburse each institution for the total amount of tuition waived during the prior fiscal year under section 1 of this act. The commission shall report to the legislature annually the number of American Indians for whom tuition has been waived at each institution and the total amounts to be paid under this act.

History: Add. 1978, Act 505, Imd. Eff. Dec. 13, 1978.

390.1253 Effective date.

Sec. 3. This act shall take effect on August 1, 1976.

History: 1976, Act 174, Eff. Aug. 1, 1976.

CORRECTIONS OFFICER'S SURVIVOR TUITION ACT
Act 541 of 1998

AN ACT to provide for a waiver of tuition at state public institutions of higher education for children and surviving spouses of Michigan corrections officers killed in the line of duty; and to provide for an appropriation.

History: 1998, Act 541, Imd. Eff. Jan. 20, 1999.

The People of the State of Michigan enact:

390.1261 Short title.

Sec. 1. This act shall be known and may be cited as the "corrections officer's survivor tuition act".

History: 1998, Act 541, Imd. Eff. Jan. 20, 1999.

390.1262 Definitions.

Sec. 2. As used in this act:

(a) "Child" means an individual who is a natural or adopted child of a deceased Michigan corrections officer and who was under the age of 21 at the time of the Michigan corrections officer's death.

(b) "Department" means the department of corrections.

(c) "Killed" means that the Michigan corrections officer's death is the direct and proximate result of a traumatic injury incurred in the line of duty.

(d) "Line of duty" means an action that a Michigan corrections officer is obligated or authorized to perform by rule, regulation, condition of employment or service, or law, including, but not limited to, a social, ceremonial, or athletic function that the Michigan corrections officer is assigned to or compensated for by the public agency he or she serves.

(e) "Michigan corrections officer" means a state correctional officer or local correctional officer, as those terms are defined in section 2 of the correctional officers' training act of 1982, 1982 PA 415, MCL 791.502.

(f) "Occupational disease" means a disease that routinely constitutes a special hazard in, or is commonly regarded as concomitant of, the Michigan corrections officer's occupation.

(g) "State institution of higher education" means a public community or junior college established under section 7 of article VIII of the state constitution of 1963 or part 25 of the revised school code, 1976 PA 451, MCL 380.1601 to 380.1607, or a state university described in section 4, 5, or 6 of article VIII of the state constitution of 1963.

(h) "Traumatic injury" means a wound or the condition of the body caused by external force, including, but not limited to, an injury inflicted by bullet, explosive, sharp instrument, blunt object or other physical blow, fire, smoke, chemical, electricity, climatic condition, infectious disease, radiation, or bacteria, but excluding an injury resulting from stress, strain, or occupational disease.

(i) "Tuition" means tuition at the rate charged for residents of this state.

History: 1998, Act 541, Imd. Eff. Jan. 20, 1999.

390.1263 Tuition waiver; requirements; eligibility.

Sec. 3. (1) Beginning in the 1998-1999 academic year, and subject to the limitations in subsections (2), (3), and (4), a state institution of higher education shall waive tuition for each child and surviving spouse of a Michigan corrections officer who has been or is killed in the line of duty if the child or surviving spouse meets all of the following requirements:

(a) Applies, qualifies, and is admitted as a full-time, part-time, or summer school student in a program of study leading to a degree or certificate.

(b) Is a legal resident of the state for at least the 12 consecutive months immediately preceding his or her application. For an individual who is a dependent of his or her parent, residency status shall be determined by the parent's residency. For an individual who is not a dependent, residency status shall be determined in the same manner as under title IV of the higher education act of 1965, Public Law 89-329, 79 Stat. 1232.

(c) Applies to the department for tuition waiver under this act and provides evidence satisfactory to the department that he or she is the child or the surviving spouse of a Michigan corrections officer who was killed in the line of duty, that the course or courses for which he or she is seeking a tuition waiver meet the requirements of subsection (2), and that he or she meets the other requirements of this section.

(d) For a child of a Michigan corrections officer who was killed in the line of duty, applies under subdivision (c) for the first time before the age of 21.

(e) Is certified by the financial aid officer at the state institution of higher education as needing the tuition

waiver in order to meet recognized educational expenses. If the child's or surviving spouse's family income, excluding any income from death benefits attributable to the Michigan corrections officer's death, is below 400% of poverty level under federal poverty guidelines published by the United States department of health and human services, income from any death benefits accruing to the child or surviving spouse as a result of the Michigan corrections officer's death shall not be counted as family income in determining financial need under this subdivision.

(f) Maintains satisfactory academic progress, as defined by the state institution of higher education, for each term or semester in which he or she is enrolled. The satisfactory progress definition used by an institution for federal student assistance programs under title IV of the higher education act of 1965, Public Law 89-329, 79 Stat. 1232, is acceptable for the purposes of this act.

(g) Has not achieved a bachelor's degree and has received tuition reimbursement under this act for less than 124 semester credits or 180 term credits at an institution of higher education.

(2) A state institution of higher education shall waive tuition under this act only for courses that are applicable toward the degree or certificate requirements of the program in which the child or surviving spouse is enrolled.

(3) A child or surviving spouse of a Michigan corrections officer who was killed in the line of duty is eligible for tuition waiver under this section for not more than a total of 9 semesters or the equivalent number of terms or quarters.

(4) Tuition shall be waived only to the extent that the tuition is not covered or paid by a scholarship, trust fund, statutory benefit, or another source of tuition coverage available to the person eligible for a waiver under this act.

History: 1998, Act 541, Imd. Eff. Jan. 20, 1999.

390.1264 Approval of application; reimbursement to state institution of higher learning; report to legislature.

Sec. 4. (1) Beginning in the 1998-1999 academic year, upon receiving an application under section 3(c), the department shall determine whether the applicant and the courses for which tuition waiver is sought meet the requirements of section 3 and, if so, shall approve the application and notify the state institution of higher education that the application has been approved.

(2) Beginning in the 1998-1999 academic year, upon application by the state institution of higher education, the department annually shall reimburse each state institution of higher education for the total amount of tuition waived during the immediately preceding fiscal year under section 3. The department annually shall report to the legislature the number of individuals for whom tuition has been waived at each state institution of higher education and the total amounts to be paid under this act for that fiscal year.

History: 1998, Act 541, Imd. Eff. Jan. 20, 1999.

390.1265 Forms and applications.

Sec. 5. The department shall provide the necessary forms and applications and shall cooperate with the state institutions of higher education in developing efficient procedures for implementing the purposes of this act.

History: 1998, Act 541, Imd. Eff. Jan. 20, 1999.

390.1266 Appropriation of funds.

Sec. 6. The legislature annually shall appropriate the funds necessary to implement this act.

History: 1998, Act 541, Imd. Eff. Jan. 20, 1999.

TUITION DIFFERENTIAL GRANTS
Act 105 of 1978

AN ACT to provide grants to students enrolled in independent nonprofit institutions of higher learning; and to provide for the promulgation of rules.

History: 1978, Act 105, Eff. Aug. 1, 1978;—Am. 1980, Act 502, Eff. July 1, 1981.

The People of the State of Michigan enact:

390.1271 “Authority” defined.

Sec. 1. As used in this act, "authority" means the Michigan higher education assistance authority created by Act No. 77 of the Public Acts of 1960, as amended, being sections 390.951 to 390.961 of the Michigan Compiled Laws.

History: 1978, Act 105, Eff. Aug. 1, 1978;—Am. 1980, Act 502, Eff. July 1, 1981.

390.1272 Differential grant; conditions.

Sec. 2. The authority shall make a differential grant to a full-time or part-time resident student enrolled in an independent nonprofit college or university located in this state if all of the following occur:

- (a) The college or university is approved by the state board of education.
- (b) The instructional programs of the college or university are not comprised solely of sectarian instruction or religious worship.
- (c) The college or university is incorporated under Act No. 327 of the Public Acts of 1931, as amended, being sections 450.62 to 450.192 of the Michigan Compiled Laws, or is subject to that act without formal organization under the act.
- (d) The college or university has filed with the state board of education a certificate of assurance of compliance with title 6 of the civil rights act of 1964, Public Law 88-352, 77 Stat. 241, as in effect on January 1, 1966.

History: 1978, Act 105, Eff. Aug. 1, 1978;—Am. 1980, Act 502, Eff. July 1, 1981.

390.1273 Administration of grants; registration requirements for grant.

Sec. 3. The authority shall administer the grants authorized by this act. A grant shall be available to each eligible student, as specified in section 4, who is registered:

- (a) As a freshman after July 31, 1978.
- (b) As a freshman or sophomore after July 31, 1979.
- (c) As a freshman, sophomore, or junior after July 31, 1980.
- (d) As a freshman, sophomore, junior, or senior after July 31, 1981.

History: 1978, Act 105, Eff. Aug. 1, 1978.

Compiler's note: For transfer of authority, powers, duties, functions, and responsibilities of the Michigan higher education assistance authority, the Michigan higher education student loan authority, and the office of student financial assistance services in the department of education to the department of treasury, see E.R.O. No. 1995-2, compiled at MCL 12.181 of the Michigan Compiled Laws.

390.1274 Eligibility for grant.

Sec. 4. A student is eligible for a grant if the student meets all of the following criteria:

- (a) The student is enrolled as a full-time or part-time student at an eligible college or university as specified in section 2. In order to be eligible for a grant, a part-time student must be enrolled in at least a one-half time course of study as defined by the authority.
- (b) The student is not enrolled in an institution whose primary purpose is to prepare students for ordination or appointment as a member of the clergy of a church, denomination, or religious association, order, or sect.
- (c) The student has resided in this state continuously for the preceding 12 months and is not considered a resident of any other state.
- (d) The student is making satisfactory academic progress as defined by the college or university in which the student is enrolled.

History: 1978, Act 105, Eff. Aug. 1, 1978;—Am. 2004, Act 184, Imd. Eff. July 1, 2004.

390.1275 Amount and payment of grant; awarding grants for more than 10 semesters or equivalent prohibited; second undergraduate degree.

Sec. 5. (1) The amount of the grant to be paid to a full-time student each academic year shall be determined annually by the legislature.

(2) Prorated payments shall be made at the beginning of each semester or term to the student or to the college or university for credit to the student's account for the purposes of tuition and fees.

(3) A student shall not be awarded differential grants for more than 10 semesters of undergraduate education or its equivalent in trimesters, or equivalent as determined by the authority for less than full-time students.

(4) If a student possessing an undergraduate degree enrolls for a second undergraduate degree, the authority shall include differential grants received by the student when enrolled for the previous degree, in determining the student's eligibility pursuant to subsection (3).

History: 1978, Act 105, Eff. Aug. 1, 1978;—Am. 1980, Act 502, Eff. July 1, 1981.

390.1276 Computation of grant as financial resource.

Sec. 6. A differential grant received by a student under this act shall not be computed by the authority as a financial resource of the student, the student's spouse, or parents under rules promulgated by the authority for the administration of the state scholarship or tuition grant programs, if the recipient student is an otherwise eligible applicant for a state competitive scholarship as authorized by Act No. 208 of the Public Acts of 1964, as amended, being sections 390.971 to 390.981 of the Michigan Compiled Laws, or an otherwise eligible applicant for a tuition grant as authorized by Act No. 313 of the Public Acts of 1966, as amended, being sections 390.991 to 390.997a of the Michigan Compiled Laws.

History: 1978, Act 105, Eff. Aug. 1, 1978;—Am. 1980, Act 502, Eff. July 1, 1981.

390.1277 Limitation on combined amount of grants.

Sec. 7. The combined amount of the tuition differential grant, and if also received, a tuition grant as established by Act No. 313 of the Public Acts of 1966 or a state competitive scholarship as established by Act No. 208 of the Public Acts of 1964 awarded to an individual student shall not exceed the level of tuition and fees for the full academic year assessed by the college or university in which the student is enrolled.

History: 1978, Act 105, Eff. Aug. 1, 1978.

390.1277a Rules.

Sec. 7a. The authority shall promulgate rules necessary to carry out this act pursuant to Act No. 306 of the Public Acts of 1969, as amended, being sections 24.201 to 24.315 of the Michigan Compiled Laws.

History: Add. 1980, Act 502, Eff. July 1, 1981.

390.1278 Effective date.

Sec. 8. This act shall not take effect until August 1, 1978.

History: 1978, Act 105, Eff. Aug. 1, 1978.

PART-TIME, INDEPENDENT STUDENT GRANTS
Act 102 of 1986

AN ACT to establish a grant program for certain part-time, independent students in this state; and to prescribe the powers and duties of certain state agencies and institutions of higher education.

History: 1986, Act 102, Imd. Eff. May 14, 1986.

The People of the State of Michigan enact:

390.1281 Definitions.

Sec. 1. As used in this act:

(a) "Authority" means the Michigan higher education assistance authority created by Act No. 77 of the Public Acts of 1960, being sections 390.951 to 390.961 of the Michigan Compiled Laws.

(b) "Financial need" means need as determined by the institution based upon a need analysis standard established by the authority. Such standard shall take into consideration the student's current annual income and exclude his or her home equity.

(c) "Independent student" means an independent student as defined in 34 C.F.R. 668.1a.

(d) "Part-time" means not less than 3 semester hours and not more than 11 semester hours per semester, or the equivalent for a quarter or term.

History: 1986, Act 102, Imd. Eff. May 14, 1986.

Compiler's note: For transfer of powers and duties of Michigan higher education assistance authority to department of treasury, see E.R.O. No. 2010-2, compiled at MCL 124.194.

390.1282 Grant program; establishment; purpose.

Sec. 2. A grant program is established by the state to foster the pursuit of postsecondary education by part-time, independent students who have financial need.

History: 1986, Act 102, Imd. Eff. May 14, 1986.

Compiler's note: For transfer of authority, powers, duties, functions, and responsibilities of the Michigan higher education assistance authority, the Michigan higher education student loan authority, and the office of student financial assistance services in the department of education to the department of treasury, see E.R.O. No. 1995-2, compiled at MCL 12.181 of the Michigan Compiled Laws.

390.1283 Participation in grant program; eligibility.

Sec. 3. A person is eligible to participate in the grant program if he or she meets all of the following:

(a) Is a part-time student.

(b) Is an independent student.

(c) Has not been enrolled in a high school diploma program other than general educational development (GED) or adult education for at least the 2 preceding years.

(d) Is enrolled or accepted for enrollment in an undergraduate program of not less than 9 months duration leading to a degree or certificate from a Michigan degree granting educational institution that is approved by the department of labor and economic growth.

(e) Has resided continuously in this state for the immediately preceding 12 months and is not considered a resident of any other state.

(f) Is not incarcerated in a corrections institution.

(g) Has complied with this act and the rules promulgated under this act by the authority.

(h) Is a United States citizen or permanent resident.

(i) Is not enrolled in an institution whose primary purpose is to prepare students for ordination or appointment as a member of the clergy of a church, denomination, or religious association, order, or sect.

(j) Is not in default on a loan guaranteed by the authority.

(k) Is shown by the school to be making satisfactory academic progress.

History: 1986, Act 102, Imd. Eff. May 14, 1986;—Am. 2004, Act 180, Imd. Eff. July 1, 2004.

Compiler's note: For transfer of certain powers and duties vested in the department of career development or its director, relating to powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

390.1284 Total amount granted to educational institution; use of funds.

Sec. 4. The total of the amount granted to an educational institution shall be proportionate to the number of needy independent students eligible for this program enrolled at the institution for the most recent year for which statistics are available. Funds provided to eligible schools shall be used for awards to students, not for administration of the program.

History: 1986, Act 102, Imd. Eff. May 14, 1986.

390.1285 Maximum grant to eligible student; priority; effect of other scholarships or grant awards.

Sec. 5. (1) Upon application of an eligible student, an educational institution shall grant to the student an amount of not more than \$600.00 per academic year for not more than 2 12-month periods at any given educational institution.

(2) If the number of eligible applicants exceeds the money available, priority shall be given to persons with the greatest financial need as determined by each educational institution.

(3) A student who receives a state competitive scholarship award under Act No. 208 of the Public Acts of 1964, being sections 390.971 to 390.981 of the Michigan Compiled Laws, or who receives other scholarships or grant awards, may be eligible for funds under this act if the total amount of the student's scholarships and grants is less than the student's financial need. A student's scholarship and grant awards may be increased with funds from the program under this act up to the level of the maximum grant as provided in subsection (1).

History: 1986, Act 102, Imd. Eff. May 14, 1986.

390.1286 Grant not income in determining eligibility for aid or assistance under social welfare act.

Sec. 6. A grant awarded to a student pursuant to this act shall be disregarded as income for purposes of determining eligibility for aid or assistance administered under the social welfare act, Act No. 280 of the Public Acts of 1939, being sections 400.1 to 400.121 of the Michigan Compiled Laws.

History: 1986, Act 102, Imd. Eff. May 14, 1986.

390.1287 Gifts, grants, bequests, donations, and devises; acceptance authorized; annual report.

Sec. 7. The authority may accept gifts, grants, bequests, donations, and devises, from whatever sources, of real, personal, or mixed property and money for the purposes described in this act. The authority shall prepare an annual report of all gifts, grants, bequests, donations, and devises for the governor and the legislature.

History: 1986, Act 102, Imd. Eff. May 14, 1986.

Compiler's note: For transfer of powers and duties of Michigan higher education assistance authority to department of treasury, see E.R.O. No. 2010-2, compiled at MCL 124.194.

390.1288 Rules.

Sec. 8. The authority shall promulgate rules to implement this act pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws.

History: 1986, Act 102, Imd. Eff. May 14, 1986.

Compiler's note: For transfer of powers and duties of Michigan higher education assistance authority to department of treasury, see E.R.O. No. 2010-2, compiled at MCL 124.194.

THE LEGISLATIVE MERIT AWARD PROGRAM ACT
Act 228 of 1976

AN ACT to provide for scholarships to high school graduates of this state; and to prescribe the powers and duties of the Michigan higher education assistance authority.

History: 1976, Act 228, Imd. Eff. Aug. 4, 1976.

The People of the State of Michigan enact:

390.1301 Short title.

Sec. 1. This act shall be known and may be cited as "the legislative merit award program act".

History: 1976, Act 228, Imd. Eff. Aug. 4, 1976.

390.1302 State academic achievement scholarships; establishment; purpose; basis of award.

Sec. 2. The Michigan higher education assistance authority, hereafter called the authority, shall establish state academic achievement scholarships to encourage academic excellence and to foster the pursuit of higher education and shall award those scholarships to students on the basis of scores on designated national examinations.

History: 1976, Act 228, Imd. Eff. Aug. 4, 1976.

Compiler's note: For transfer of authority, powers, duties, functions, and responsibilities of the Michigan higher education assistance authority, the Michigan higher education student loan authority, and the office of student financial assistance services in the department of education to the department of treasury, see E.R.O. No. 1995-2, compiled at MCL 12.181 of the Michigan Compiled Laws.

390.1303 Number and amount of scholarships to be awarded annually.

Sec. 3. The authority shall award scholarships annually in the amount of \$1,000.00 to the top scorers on a national examination designated by the authority without regard to the financial circumstances of the students or their families and without reference to other aid for which the student may qualify. The number of scholarships shall be determined by dividing the amount appropriated by the legislature by \$1,000.00.

History: 1976, Act 228, Imd. Eff. Aug. 4, 1976;—Am. 1980, Act 386, Eff. July 1, 1981.

390.1304 Eligibility for scholarship.

Sec. 4. A person is eligible for a scholarship award if the person meets all of the following qualifications:

(a) Has resided in this state continuously for the preceding 12 months and is not considered a resident of any other state.

(b) Has not graduated from high school at the time of the scholarship examination.

(c) Enrolls in a recognized postsecondary educational institution within 4 years after graduation from high school.

(d) Is not enrolled in an institution whose primary purpose is to prepare students for ordination or appointment as a member of the clergy of a church, denomination, or religious association, order, or sect.

History: 1976, Act 228, Imd. Eff. Aug. 4, 1976;—Am. 1980, Act 386, Eff. July 1, 1981;—Am. 2004, Act 182, Imd. Eff. July 1, 2004

390.1305 Payment of scholarship; certification; method.

Sec. 5. (1) Before payment of the scholarship is made, the recipient shall certify in writing the name of the postsecondary school in which the recipient is enrolled and the recipient's intent to use the award for payment of educational expenses.

(2) The payment of the scholarship shall be made, at the option of the recipient, in 1 lump sum at the time of enrollment in a postsecondary institution or in prorated payments issued to the student or to the postsecondary institution for credit to the student's account during the student's course of study.

History: 1976, Act 228, Imd. Eff. Aug. 4, 1976;—Am. 1980, Act 386, Eff. July 1, 1981.

390.1306 Discrimination prohibited.

Sec. 6. The scholarships shall be awarded by the authority on the basis of merit and without regard to race, religion, sex, color, or national origin.

History: 1976, Act 228, Imd. Eff. Aug. 4, 1976.

390.1307 Rules.

Sec. 7. The authority shall promulgate rules necessary to implement this act pursuant to Act No. 306 of the

Public Acts of 1969, as amended, being sections 24.201 to 24.315 of the Michigan Compiled Laws.

History: 1976, Act 228, Imd. Eff. Aug. 4, 1976.

Administrative rules: R 390.1501 et seq. of the Michigan Administrative Code.

MICHIGAN WORK-STUDY PROGRAM
Act 303 of 1986

AN ACT to establish a Michigan work-study program for qualified resident students attending eligible graduate and professional graduate schools and employed by qualified employers; to prescribe the powers and duties of certain state agencies; and to provide for an appropriation.

History: 1986, Act 303, Eff. Mar. 31, 1987.

The People of the State of Michigan enact:

390.1321 Definitions.

Sec. 1. As used in this act:

(a) "Authority" means the Michigan higher education assistance authority created by Act No. 77 of the Public Acts of 1960, being sections 390.951 to 390.961 of the Michigan Compiled Laws.

(b) "Program" means the Michigan work-study program established in section 2.

History: 1986, Act 303, Eff. Mar. 31, 1987.

Compiler's note: For transfer of powers and duties of Michigan higher education assistance authority to department of treasury, see E.R.O. No. 2010-2, compiled at MCL 124.194.

390.1322 Michigan work-study program; establishment; administration; purpose.

Sec. 2. A Michigan work-study program, which shall be administered by the authority, is established by the state to enable eligible graduate and professional graduate schools to help eligible students meet educational expenses by placement in employment.

History: 1986, Act 303, Eff. Mar. 31, 1987.

Compiler's note: For transfer of authority, powers, duties, functions, and responsibilities of the Michigan higher education assistance authority, the Michigan higher education student loan authority, and the office of student financial assistance services in the department of education to the department of treasury, see E.R.O. No. 1995-2, compiled at MCL 12.181 of the Michigan Compiled Laws.

For transfer of powers and duties of Michigan higher education assistance authority to department of treasury, see E.R.O. No. 2010-2, compiled at MCL 124.194.

390.1323 Eligibility of graduate or professional graduate school to participate in program; academic credit.

Sec. 3. A recognized graduate or professional graduate school in this state is eligible to participate in the program if the graduate or professional graduate school is a degree-granting institution approved by the state board of education, the instructional programs are not comprised solely of sectarian instruction or religious worship, and the school participates in the federal work-study program under sections 441 to 448 of title IV of the higher education act of 1965, 42 U.S.C. 2751 to 2756b. A participating school, at its option, may offer academic credit to students enrolled in the program.

History: 1986, Act 303, Eff. Mar. 31, 1987.

Compiler's note: For transfer of certain powers and duties vested in the department of career development or its director, relating to powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

390.1324 Eligibility of student to participate in program.

Sec. 4. (1) A student is eligible to participate in the program if the student meets the following requirements:

(a) Has resided in this state continuously for the 12 months preceding his or her application to the program and is not considered a resident of any other state.

(b) Is a United States citizen or permanent resident of this country.

(c) Is not incarcerated in a corrections institute.

(d) Is enrolled in at least a half-time graduate program of study at a graduate or professional graduate school that meets the requirements in section 3.

(e) Is certified by the financial aid officer at the graduate or professional graduate school as needing employment in order to meet recognized educational expenses.

(f) Is not in default on a loan guaranteed by the authority.

(2) A student shall maintain satisfactory academic progress, as defined by the graduate or professional graduate school in which the student is enrolled, to remain eligible for the program under this act.

(3) A full-time graduate student at any particular school for each degree level shall be eligible for the program for not more than 12 terms or its equivalent in semesters, and a less than full-time graduate student

for the equivalent as determined by the authority.

History: 1986, Act 303, Eff. Mar. 31, 1987.

390.1325 Eligibility of employer organized for nonprofit purposes to employ students.

Sec. 5. An employer that is organized for nonprofit purposes is eligible to employ students through the program if the employer meets all of the following requirements:

(a) Enters into a signed agreement with an eligible graduate or professional graduate school to provide employment for students recommended by the school.

(b) Provides at least 20% of the wages earned by the students.

(c) Does not use students to displace employed workers.

(d) Does not employ students to construct, operate, or maintain a facility used, or to be used, solely for sectarian instruction or as a place for religious worship.

(e) Does not pay students a wage that is less than the federal minimum wage.

History: 1986, Act 303, Eff. Mar. 31, 1987.

390.1326 Eligibility of employer organized for profit purposes to employ students.

Sec. 6. An employer that is organized for profit purposes is eligible to employ students through the program if the employer meets all of the following requirements:

(a) Enters into a signed agreement with an eligible graduate or professional graduate school to provide employment for students recommended by the school.

(b) Provides at least 50% of the wages earned by the students.

(c) Does not use students to displace employed workers.

(d) Does not employ students to construct, operate, or maintain a facility used, or to be used, solely for sectarian instruction or as a place for religious worship.

(e) Does not pay students a wage that is less than the federal minimum wage.

History: 1986, Act 303, Eff. Mar. 31, 1987.

390.1327 Receipt of wages by graduate student.

Sec. 7. A graduate student may receive wages for serving a graduate assistantship or participating in a research or a teaching project.

History: 1986, Act 303, Eff. Mar. 31, 1987.

390.1328 Amount of grant; determination; criteria.

Sec. 8. The amount of the grant to be paid for each semester or trimester shall be determined by the authority based upon an evaluation of the family's financial resources. Uniform criteria of need, as defined by the authority, shall be used in evaluating the family's financial resources.

History: 1986, Act 303, Eff. Mar. 31, 1987.

390.1329 Amount of program funds for fiscal year.

Sec. 9. Program funds shall be made to eligible graduate and professional graduate schools for a fiscal year in an amount not less than \$5,000.00 and an amount proportionate to the school's enrollment of graduate students compared to total graduate enrollment in the state for the most recent year statistics are available.

History: 1986, Act 303, Eff. Mar. 31, 1987.

390.1330 Use of program funds.

Sec. 10. Program funds shall be used for student wages only. Program funds shall not be used for the administrative costs of implementing or operating the school's program.

History: 1986, Act 303, Eff. Mar. 31, 1987.

390.1331 Rules.

Sec. 11. The authority shall promulgate rules to implement this act pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws.

History: 1986, Act 303, Eff. Mar. 31, 1987.

390.1332 Appropriation.

Sec. 12. The legislature annually shall appropriate a sum sufficient to implement this act.

History: 1986, Act 303, Eff. Mar. 31, 1987.

CHILDREN OF VETERANS TUITION GRANT ACT
Act 248 of 2005

AN ACT to establish an undergraduate tuition grant program for children of certain deceased or disabled members of the armed forces of the United States; to provide for the administration of the tuition grant program; to prescribe certain powers and duties of certain state officers, agencies, and departments; and to repeal acts and parts of acts.

History: 2005, Act 248, Imd. Eff. Dec. 1, 2005.

The People of the State of Michigan enact:

390.1341 Short title.

Sec. 1. This act shall be known and may be cited as the "children of veterans tuition grant act".

History: 2005, Act 248, Imd. Eff. Dec. 1, 2005.

Compiler's note: For transfer of powers and duties of Michigan higher education assistance authority to department of treasury, see E.R.O. No. 2010-2, compiled at MCL 124.194.

390.1342 Definitions.

Sec. 2. As used in this act:

(a) "Academic year" means the period from August 1 of a calendar year to July 31 of the next calendar year.

(b) "Authority" means the Michigan higher education assistance authority created by 1960 PA 77, MCL 390.951 to 390.961.

(c) "Eligible institution" means a degree or certificate granting public or independent nonprofit college or university, junior college, or community college in this state.

(d) "Eligible tuition" means the tuition charged by an eligible institution for an undergraduate class.

(e) "Full-time student" means a student enrolled in at least 12 credit hours in an academic semester or its equivalent number of credit hours in a term or quarter, as determined by the authority.

(f) "Michigan veteran" means an individual whose legal residence immediately before entering military service was in this state and who does not later reside outside of this state for a period of more than 2 years, or an individual who establishes legal residency in this state after entering military service.

(g) "Part-time student" means a student who is not a full-time student, but is enrolled in at least the number of credit hours in a semester, term, or quarter that the authority defines as a 1/2-time course of study.

(h) "Undergraduate class" means a class or course that provides a student with academic credit applicable toward a bachelor or associate degree from an eligible institution.

History: 2005, Act 248, Imd. Eff. Dec. 1, 2005.

Compiler's note: For transfer of powers and duties of Michigan higher education assistance authority to department of treasury, see E.R.O. No. 2010-2, compiled at MCL 124.194.

390.1343 Children of veterans tuition grant program; creation; administration; duties of authority.

Sec. 3. The children of veterans tuition grant program is created, to be administered by the authority. The authority shall do all of the following:

(a) Provide tuition grants to eligible students under this act.

(b) Establish an application form and application timetable for eligible students to apply for tuition grants under this act.

(c) Within 120 days after the effective date of this act, notify recipients of benefits under 1935 PA 245, MCL 35.111 to 35.112, of the repeal of that act and the availability of tuition grants under this act.

(d) Promulgate rules to implement and administer this act under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328. The rules may include additional standards of eligibility for students to receive tuition grants under this act.

History: 2005, Act 248, Imd. Eff. Dec. 1, 2005.

Compiler's note: For transfer of powers and duties of Michigan higher education assistance authority to department of treasury, see E.R.O. No. 2010-2, compiled at MCL 124.194.

390.1344 Tuition grant amount.

Sec. 4. (1) Subject to subsection (3), beginning in the 2005-2006 academic year, the authority shall provide a tuition grant in an amount determined under subsection (2) to any student who meets all of the following requirements:

(a) Is enrolled in that academic year as a full-time or part-time student in undergraduate classes at an eligible institution.

(b) Is a United States citizen or permanent resident of the United States.

(c) Is more than 16 and less than 26 years of age.

(d) Is the natural or adopted child of a Michigan veteran and the Michigan veteran meets or met any of the following:

(i) He or she was killed in action or died from another cause while serving in a war or war condition in which the United States was or is a participant.

(ii) The United States department of veterans affairs has determined that he or she died or is totally and permanently disabled as a result of a service-connected illness or injury.

(iii) The United States department of veterans affairs has determined he or she was permanently and totally disabled as a result of a service-connected illness or injury before death, and he or she died from any cause.

(iv) He or she is officially listed by the United States government as missing in action in a foreign country.

(e) Has resided continuously in this state for the 12 months immediately preceding the date of his or her application and is not a resident of any other state.

(f) Has maintained a cumulative grade point average of at least 2.25 in any undergraduate classes he or she completed at any eligible institution in any previous academic years.

(g) Is in compliance with this act and the rules promulgated under this act.

(h) Has not been convicted of a felony involving an assault, physical injury, or death.

(i) Meets any other standards established in rules promulgated by the authority under section 3.

(2) Subject to subsection (3), the amount of a tuition grant described in subsection (1) in an academic year for a full-time student is \$2,800.00, or an amount equal to all of the student's eligible tuition in that academic year, whichever is less. The amount of the tuition grant for a part-time student is 1/2 of the amount of a full-time student as determined by the authority. The authority may reduce the amount of the tuition grants in any academic year on a pro rata basis to reflect the amount then available for the tuition grant program, but only after providing notice to the legislature under section 6(2).

(3) If a student receives tuition waiver assistance in the 2005-2006 academic year under the tuition waiver program provided in 1935 PA 245, MCL 35.111 to 35.112, is a person described in section 1(3) of 1935 PA 245, MCL 35.111, and meets the eligibility requirements of this act, the amount of the tuition grant under this act for that student in the 2005-2006 academic year shall be reduced by the amount of tuition waiver assistance that student received under 1935 PA 245.

(4) An individual shall not receive tuition grant assistance under this act or tuition waiver assistance under 1935 PA 245, MCL 35.111 to 35.112, or both, in more than 4 academic years.

History: 2005, Act 248, Imd. Eff. Dec. 1, 2005.

Compiler's note: For transfer of powers and duties of Michigan higher education assistance authority to department of treasury, see E.R.O. No. 2010-2, compiled at MCL 124.194.

390.1345 Restricted account; establishment and administration by department of treasury; use; carrying over money to next fiscal year.

Sec. 5. (1) The department of treasury shall establish and administer a restricted account in the general fund for the children of veterans tuition grant program. The department of treasury shall credit to the account money appropriated or received from any source, including, but not limited to, amounts appropriated under section 437 of the income tax act of 1967, 1967 PA 281, MCL 206.437, and earnings on the account. The department of treasury shall use the money in the account only to provide money to the authority for tuition grants under this act.

(2) Money in the account described in subsection (1) at the end of a fiscal year shall not revert to the general fund but shall be carried over in the account to the next fiscal year.

History: 2005, Act 248, Imd. Eff. Dec. 1, 2005.

Compiler's note: For transfer of powers and duties of Michigan higher education assistance authority to department of treasury, see E.R.O. No. 2010-2, compiled at MCL 124.194.

390.1346 Report.

Sec. 6. (1) By December 1 of each year, the authority shall annually submit a report to the state budget director, the house and senate appropriations subcommittees on higher education and community colleges, and the house and senate fiscal agencies for the preceding fiscal year on the children of veterans tuition grant program. The report shall include, but is not limited to, the total number of tuition grants paid by the authority in the preceding fiscal year, the total dollar amount of those tuition grants, and the number of students receiving grants and the total amount of those grants at each eligible institution.

(2) In any academic year, if the authority estimates that insufficient money will be available in that academic year from the account established in section 5 to pay a maximum grant under section 4(2) for a full-time student of \$2,800.00, the authority shall immediately report to the house and senate appropriations subcommittees on higher education and community colleges, the house and senate fiscal agencies, and the state budget director, regarding the estimated amount of additional money necessary to fund scholarships for all eligible students in that academic year at the maximum grant amounts under section 4(2).

History: 2005, Act 248, Imd. Eff. Dec. 1, 2005.

Compiler's note: For transfer of powers and duties of Michigan higher education assistance authority to department of treasury, see E.R.O. No. 2010-2, compiled at MCL 124.194.

FINANCING OF STUDENT LOAN PROGRAMS
Act 289 of 1976

AN ACT to implement, clarify, and confirm the constitutional powers of the bodies corporate controlling those institutions of higher education named in sections 4, 5, and 6 of article 8 of the state constitution of 1963, or established by law as therein provided, regarding the establishment and financing of student loan programs.

History: 1976, Act 289, Imd. Eff. Oct. 25, 1976.

The People of the State of Michigan enact:

390.1351 Definitions.

Sec. 1. As used in this act:

(a) "Board" means the body corporate controlling an institution of higher education which is named in sections 4, 5, or 6 of article 8 of the state constitution of 1963 or established by law, as therein provided.

(b) "Student loan" means a loan of the type described in section 3.

(c) "Student loan program" means the program for making loans to students described in section 3.

History: 1976, Act 289, Imd. Eff. Oct. 25, 1976.

390.1352 MCL 141.2101 to 141.2821, 141.151 to 141.153, and 141.101 to 141.140 inapplicable to borrowing under act; purpose of act; provisions cumulative as to powers of board; bonds and notes subject to agency financing reporting act.

Sec. 2. (1) The revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, 1969 PA 342, MCL 141.151 to 141.153, and the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140, shall not apply to any borrowing provided for in this act. This act shall implement, clarify, and confirm the existing constitutional power of a board to make the student loans described in this act and to finance the student loan program as provided in this act. This act is in addition to any other act granting powers to a board and shall not be construed as a limitation on any existing power, express or implied, of a board.

(2) The issuance of bonds and notes under this act is subject to the agency financing reporting act.

History: 1976, Act 289, Imd. Eff. Oct. 25, 1976;—Am. 2002, Act 548, Imd. Eff. July 26, 2002.

390.1353 Methods of making student loan.

Sec. 3. To financially assist a student wishing to attend the college or university governed by the board, a board may make or arrange for a loan to the student as it determines to be in need of the assistance on a nondiscriminatory basis upon the terms and provisions the board deems best, in any of the following methods:

(a) By a direct loan from the board repayable upon the terms and conditions the board deems proper, and for the duration and the rate of interest the board establishes.

(b) By a direct loan from the board, which loan is guaranteed in whole or in part by the state or federal government or an agency thereof or any other person, firm, or corporation, interest on which loan may or may not be subsidized in whole or in part by the state or federal government or an agency thereof or any public or private donor.

History: 1976, Act 289, Imd. Eff. Oct. 25, 1976.

390.1354 Financing of student loan program; bonds or notes generally; capital cost.

Sec. 4. (1) A student loan program may be financed in whole or in part under the terms and provisions the board deems best, by the issuance of notes or bonds of the board which shall be payable in not more than 18 years and payable solely out of any of the following sources:

(a) The fees and charges made or received by the board and all or any part of the moneys received by the board in payment of principal and interest on any student loans regardless of from whom the payment was received.

(b) The proceeds of any reserve established for the purpose of making payments due on the notes or bonds.

(c) Amounts to be received as gifts, grants, or otherwise from the state or federal government or an agency thereof or a public or private donor.

(d) Out of other available funds except state appropriations.

(2) Bonds or notes issued under this section may be refunded, in whole or in part, upon the issuance of new bonds or notes payable from any of the sources specified in subsection (1) under terms and conditions it deems best, except that noncallable unmatured bonds or notes may not be refunded without the consent of the holder thereof.

(3) Bonds or notes issued under this section may be secured in whole or in part by any of the sources of repayment specified in subsection (1)(a) to (d).

(4) To provide for the payment of principal or interest on the notes or bonds, if the anticipated revenues from the sources of repayment fail to provide adequate funds to meet any of the payments, the board may establish a reserve in an amount as it deems adequate. The funds to establish the reserve may be borrowed under this act, obtained from funds of the board, obtained over a period of time from the revenues pledged for repayment, or any combination thereof.

(5) Bonds or notes issued under this section shall provide for any rate of interest the board authorizes.

(6) The capital cost of the student loan program to be financed may include all expenses incident to or in connection therewith including fees of fiscal agents and trustees, legal and other consulting fees, administration costs of the student loan program, financing costs, a reasonable amount for contingencies, interest on any bonds or notes issued under this act for a period not exceeding the estimated time before the sources of repayment are expected to begin producing revenues and 6 months thereafter, and any other costs incident to the student loan program.

History: 1976, Act 289, Imd. Eff. Oct. 25, 1976.

390.1355 Notes or bonds as negotiable instruments.

Sec. 5. Whether or not notes or bonds issued pursuant to this act are within the definition of negotiable instruments under the applicable provisions of the uniform commercial code, 1962 PA 174, MCL 440.1101 to 440.11102, the notes or bonds shall be negotiable instruments within the meaning of and for all purposes of the provisions of the uniform commercial code, 1962 PA 174, MCL 440.1101 to 440.11102, subject only to the provisions of the notes or bonds for registration.

History: 1976, Act 289, Imd. Eff. Oct. 25, 1976;—Am. 2000, Act 426, Eff. Mar. 28, 2001.

390.1356 Bonds, notes, or contracts neither evidence of state indebtedness nor grant of state credit; payment of bonds, notes, or contracts.

Sec. 6. A bond or note issued under this act or a contract entered into pursuant to this act shall not constitute or be an evidence of state indebtedness and a bond, note, or contract does not constitute or is not a grant of the credit of the state to or in aid of the issuing or contracting board. The bonds, notes, or contracts shall be payable only by the board issuing or authorizing the same and from the sources specified therein for repayment, subject to the right of the board to make voluntary payments thereon from outside sources so long as permitted by law to do so.

History: 1976, Act 289, Imd. Eff. Oct. 25, 1976.

MICHIGAN WORK-STUDY PROGRAM
Act 288 of 1986

AN ACT to establish a Michigan work-study program for qualified resident students attending eligible postsecondary schools and employed by qualified employers; and to prescribe the powers and duties of certain state agencies.

History: 1986, Act 288, Eff. Mar. 31, 1987.

The People of the State of Michigan enact:

390.1371 Definitions.

Sec. 1. As used in this act:

(a) "Authority" means the Michigan higher education assistance authority created by Act No. 77 of the Public Acts of 1960, being sections 390.951 to 390.961 of the Michigan Compiled Laws.

(b) "MWS" means the Michigan work-study program established in section 2.

History: 1986, Act 288, Eff. Mar. 31, 1987.

Compiler's note: For transfer of powers and duties of Michigan higher education assistance authority to department of treasury, see E.R.O. No. 2010-2, compiled at MCL 124.194.

390.1372 Michigan work-study program; establishment; administration; purpose.

Sec. 2. A Michigan work-study program, which shall be administered by the authority, is established by the state to enable eligible postsecondary schools to help eligible students meet educational expenses by placement in part-time employment during the academic year.

History: 1986, Act 288, Eff. Mar. 31, 1987.

Compiler's note: For transfer of authority, powers, duties, functions, and responsibilities of the Michigan higher education assistance authority, the Michigan higher education student loan authority, and the office of student financial assistance services in the department of education to the department of treasury, see E.R.O. No. 1995-2, compiled at MCL 12.181 of the Michigan Compiled Laws.

For transfer of powers and duties of Michigan higher education assistance authority to department of treasury, see E.R.O. No. 2010-2, compiled at MCL 124.194.

390.1373 Eligibility of postsecondary school to participate in MWS program; academic credit.

Sec. 3. A recognized postsecondary school in this state is eligible to participate in the MWS program if the postsecondary school is a degree-granting institution approved by the state board of education, the instructional programs are not comprised solely of sectarian instruction or religious worship, and the school participates in the federal work-study program under sections 441 to 448 of title IV of the higher education act of 1965, 42 U.S.C. 2751 to 2756b. A participating school, at its option, may offer academic credit to students enrolled in the MWS program.

History: 1986, Act 288, Eff. Mar. 31, 1987.

Compiler's note: For transfer of certain powers and duties vested in the department of career development or its director, relating to powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

390.1374 Eligibility of student to participate in MWS program.

Sec. 4. (1) A student is eligible to participate in the MWS program if the student meets the following requirements:

(a) Has resided in this state continuously for the 12 months preceding his or her application to the MWS program and is not considered a resident of any other state.

(b) Is not incarcerated in a corrections institute.

(c) Is enrolled in at least a half-time undergraduate program of study at an eligible postsecondary school or meets the requirements of subsection (5).

(d) Is certified by the financial aid officer at the postsecondary school as needing employment in order to meet recognized educational expenses.

(e) Is a United States citizen or permanent resident.

(f) Is not in default on a loan guaranteed by the authority.

(2) A student shall maintain satisfactory academic progress, as defined by the postsecondary school in which the student is enrolled, to remain eligible for the MWS program under this act.

(3) A full-time undergraduate student shall not be eligible for the MWS program for more than 15 terms or its equivalent in semesters at any particular school.

(4) If a student possessing a degree at a given academic level enrolls for a second degree at the same or lower academic level, the authority shall include MWS grants received by the student when enrolled for the previous degree at the same or lower level in determining the student's eligibility under this act.

(5) A student may participate in the MWS program during a period when he or she is not enrolled at an eligible postsecondary school if all of the following conditions are met:

(a) The student is otherwise eligible under this section.

(b) The student was enrolled in at least a half-time undergraduate program of study at an eligible postsecondary school for the preceding quarter, term, or semester.

(c) The financial aid officer at the postsecondary school determines that the period during which the student is not enrolled will not exceed 4 months and the student has enrolled or signs an intent to enroll in at least a half-time undergraduate program of study at the postsecondary school for the next succeeding quarter, term, or semester.

History: 1986, Act 288, Eff. Mar. 31, 1987;—Am. 1990, Act 47, Imd. Eff. Mar. 30, 1990.

390.1375 Eligibility of employer organized for nonprofit purposes to employ students.

Sec. 5. An employer that is organized for nonprofit purposes is eligible to employ students through the MWS program if the employer meets all of the following requirements:

(a) Enters into a signed agreement with an eligible postsecondary school to provide employment for students recommended by the school.

(b) Provides at least 20% of the wages earned by the MWS students.

(c) Does not use MWS students to displace employed workers.

(d) Does not employ MWS students to construct, operate, or maintain a facility used, or to be used solely, for sectarian instruction or as a place for religious worship, or activity espousing or promoting a partisan political position or candidate.

(e) Does not pay MWS students a wage that is less than the federal minimum wage.

History: 1986, Act 288, Eff. Mar. 31, 1987;—Am. 1990, Act 47, Imd. Eff. Mar. 30, 1990.

390.1376 Eligibility of employer organized for profit purposes to employ students.

Sec. 6. An employer that is organized for profit purposes is eligible to employ students through the MWS program if the employer meets all of the following requirements:

(a) Enters into a signed agreement with an eligible postsecondary school to provide employment that is determined by the school to be academically relevant for students recommended by the school.

(b) Provides at least 50% of the wages earned by the MWS students.

(c) Does not use MWS students to displace employed workers.

(d) Does not employ MWS students to construct, operate, or maintain a facility used, or to be used solely, for sectarian instruction or as a place for religious worship.

(e) Does not pay MWS students a wage that is less than the federal minimum wage.

History: 1986, Act 288, Eff. Mar. 31, 1987;—Am. 1990, Act 47, Imd. Eff. Mar. 30, 1990.

390.1377 Amount of MWS grant; determination; criteria.

Sec. 7. The amount of the MWS grant to be paid for each semester, trimester, or quarter shall be determined by the authority based upon an evaluation of the family's financial resources. A uniform criteria of need, as defined by the authority, shall be used in evaluating the family's financial resources.

History: 1986, Act 288, Eff. Mar. 31, 1987.

390.1378 Effect of receiving other student aid.

Sec. 8. A student who receives a state competitive scholarship award under Act No. 208 of the Public Acts of 1964, being sections 390.971 to 390.981 of the Michigan Compiled Laws, or who receives other student aid, may be eligible for MWS funds under this act if the total amount of the student's scholarships and grants is less than the student's remaining financial need. The MWS, in combination with other student aid, shall not exceed the amount of the student's financial need as determined by uniform criteria of need as defined by the authority.

History: 1986, Act 288, Eff. Mar. 31, 1987.

390.1379 Limitation of MWS grant; maximum grant level.

Sec. 9. A MWS grant shall not exceed the amount of educational costs for the full academic year as reported by the postsecondary school in which the student is enrolled. If there are not sufficient appropriated funds to provide each student with the grant amount for which the student is eligible, the authority shall

establish a maximum grant level for that academic year.

History: 1986, Act 288, Eff. Mar. 31, 1987.

390.1380 Amount of MWS program funds for fiscal year.

Sec. 10. MWS program funds shall be made to eligible postsecondary schools for a fiscal year in an amount not less than \$5,000.00 and an amount proportionate to the school's receipt of Pell grant funds under section 411 of title IV of the higher education act of 1965, 20 U.S.C. 1070a, for the most recent year statistics are available.

History: 1986, Act 288, Eff. Mar. 31, 1987.

390.1381 Use of MWS program funds.

Sec. 11. MWS program funds shall be used for student wages only. MWS program funds shall not be used for the administrative costs of implementing or operating the school's MWS program.

History: 1986, Act 288, Eff. Mar. 31, 1987.

390.1382 Rules.

Sec. 12. The authority shall promulgate rules to implement this act pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws.

History: 1986, Act 288, Eff. Mar. 31, 1987.

MICHIGAN EDUCATIONAL OPPORTUNITY GRANT PROGRAM
Act 273 of 1986

AN ACT to establish a Michigan educational opportunity grant program for resident qualified students enrolled in eligible public postsecondary schools; and to prescribe the powers and duties of certain state agencies.

History: 1986, Act 273, Eff. Mar. 31, 1987.

The People of the State of Michigan enact:

390.1401 Definitions.

Sec. 1. As used in this act:

(a) "Authority" means the Michigan higher education assistance authority created by Act No. 77 of the Public Acts of 1960, being sections 390.951 to 390.961 of the Michigan Compiled Laws.

(b) "MEOG" means a Michigan educational opportunity grant established under section 2.

History: 1986, Act 273, Eff. Mar. 31, 1987.

Compiler's note: For transfer of powers and duties of Michigan higher education assistance authority to department of treasury, see E.R.O. No. 2010-2, compiled at MCL 124.194.

390.1402 Michigan educational opportunity grants; establishment; administration; purpose.

Sec. 2. Michigan educational opportunity grants, which shall be administered by the authority, are established by the state to enable eligible postsecondary schools to help eligible students meet educational expenses.

History: 1986, Act 273, Eff. Mar. 31, 1987.

Compiler's note: For transfer of authority, powers, duties, functions, and responsibilities of the Michigan higher education assistance authority, the Michigan higher education student loan authority, and the office of student financial assistance services in the department of education to the department of treasury, see E.R.O. No. 1995-2, compiled at MCL 12.181 of the Michigan Compiled Laws.

For transfer of powers and duties of Michigan higher education assistance authority to department of treasury, see E.R.O. No. 2010-2, compiled at MCL 124.194.

390.1403 Eligibility of postsecondary school to participate in MEOG program; prohibition.

Sec. 3. (1) A recognized postsecondary school in this state is eligible to participate in the MEOG program under this act if the postsecondary school is a degree-granting public institution approved by the department of labor and economic growth.

(2) A grant shall not be made under this act to a student who is enrolled in an institution whose primary purpose is to prepare students for ordination or appointment as a member of the clergy of a church, denomination, or religious association, order, or sect.

History: 1986, Act 273, Eff. Mar. 31, 1987;—Am. 2004, Act 183, Imd. Eff. July 1, 2004.

Compiler's note: For transfer of certain powers and duties vested in the department of career development or its director, relating to powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

390.1404 Eligibility of student to participate in MEOG program.

Sec. 4. (1) A student is eligible to participate in the MEOG program under this act if the student meets the following requirements:

(a) Has resided in this state continuously for the 12 months preceding his or her application for a MEOG and is not considered a resident of any other state.

(b) Is not incarcerated in a corrections institute.

(c) Is enrolled in at least a half-time undergraduate program of study at a postsecondary school that meets the requirements of section 3.

(d) Is certified by the financial aid officer at the postsecondary school as needing the grant in order to meet recognized educational expenses.

(e) Is a United States citizen or permanent resident.

(f) Is not in default on a loan guaranteed by the authority.

(2) A student shall maintain satisfactory academic progress, as defined by the postsecondary school in which the student is enrolled, to remain eligible for a MEOG under this act.

(3) A student shall not be eligible for a MEOG for more than 10 semesters of undergraduate education, or its equivalent in trimesters or quarters, or the equivalent as determined by the authority for less than full-time students.

(4) If a student possessing a degree at a given academic level enrolls for a second degree at the same or lower academic level, the authority shall include MEOGs received by the student when he or she was enrolled for the previous degree at the same or lower level in determining the student's eligibility under this act.

History: 1986, Act 273, Eff. Mar. 31, 1987.

390.1405 Amount of MEOG; determination; needs analysis standard; prorated payments.

Sec. 5. (1) The amount of a MEOG to be paid for each semester, trimester, or quarter shall be determined by the institution based upon a needs analysis standard established by the authority.

(2) Prorated payments shall be made at the beginning of each semester, trimester, or quarter to the student or to the postsecondary school for credit to the student's account.

History: 1986, Act 273, Eff. Mar. 31, 1987.

390.1406 Effect of receiving other student aid.

Sec. 6. A student who receives a state competitive scholarship award under Act No. 208 of the Public Acts of 1964, being sections 390.971 to 390.981 of the Michigan Compiled Laws, or who receives other scholarships, work-study funds, or grant awards, may be eligible for a MEOG under this act if the total amount of the student's scholarships and grants is less than the student's educational costs. The MEOG, in combination with other student aid, shall not exceed the amount of the student's financial need as determined by uniform criteria of need established pursuant to section 5(1).

History: 1986, Act 273, Eff. Mar. 31, 1987.

390.1407 Limitation on MEOG; priority.

Sec. 7. Each MEOG shall not exceed the amount of remaining financial need for the full academic year as reported by the postsecondary school in which the student at any particular school is enrolled, or \$1,000.00, whichever is less. If the number of eligible applicants exceeds the money available, priority shall be given to students with the greatest financial need as determined by each educational institution.

History: 1986, Act 273, Eff. Mar. 31, 1987.

390.1408 Amount of MEOG funds for fiscal year.

Sec. 8. MEOG funds shall be made to eligible postsecondary schools for a fiscal year in an amount proportionate to the school's receipt of Pell grant funds under section 411 of title IV of the higher education act of 1965, 20 U.S.C. 1070a, for the most recent year statistics are available.

History: 1986, Act 273, Eff. Mar. 31, 1987.

390.1409 Rules.

Sec. 9. The authority shall promulgate rules to implement this act pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws.

History: 1986, Act 273, Eff. Mar. 31, 1987.

MICHIGAN EDUCATION TRUST ACT
Act 316 of 1986

AN ACT to create the Michigan education trust; to prescribe the powers and duties of the trust and of its board of directors; to provide for advance tuition payment contracts; to establish an advance tuition payment fund and to provide for its administration; to provide for remedies; and to repeal certain acts and parts of acts on specific dates.

History: 1986, Act 316, Imd. Eff. Dec. 23, 1986.

The People of the State of Michigan enact:

390.1421 Short title.

Sec. 1. This act shall be known and may be cited as the "Michigan education trust act".

History: 1986, Act 316, Imd. Eff. Dec. 23, 1986.

390.1422 Legislative finding and declaration.

Sec. 2. The legislature hereby finds and declares the following:

(a) It is an essential function of state government to forever encourage schools and the means of education, as provided in section 1 of article VIII of the state constitution of 1963.

(b) It is a responsibility of state government to maintain state institutions of higher education as provided by section 4 of article VIII of the state constitution of 1963.

(c) It is an essential function of state government to encourage attendance at state institutions of higher education.

(d) Tuition costs at public institutions of higher education are difficult for many to afford and are difficult to predict in order to enable individuals and families to plan.

(e) It is in the best interest of the people of this state to foster public higher education in order to provide well-educated citizens.

(f) It is in the best interest of the people of this state to encourage state residents desiring a public higher education to enroll in state public institutions of higher learning.

(g) It is in the best interest of the people of this state to enhance and foster the ability of Michigan residents to choose an independent, nonprofit higher education in order to provide well educated citizens and to encourage state residents desiring an independent higher education to enroll in an independent degree-granting college or university located in this state.

(h) Students in elementary and secondary schools tend to achieve to a higher standard of performance when the payment of tuition for their higher education is secured.

(i) Providing assistance to assure the higher education of the citizens of this state is necessary and desirable for the public health, safety, and welfare.

History: 1986, Act 316, Imd. Eff. Dec. 23, 1986.

390.1423 Purposes of act and Michigan education trust.

Sec. 3. In light of the findings described in section 2, the legislature declares the purposes of this act and of the Michigan education trust created by this act to be:

(a) To encourage education and the means of education.

(b) To maintain state institutions of higher education by helping to provide a stable financial base to these institutions.

(c) To provide wide and affordable access to state institutions of higher education for the residents of this state.

(d) To encourage attendance at state institutions of higher education.

(e) To provide students and their parents economic protection against rising tuition costs.

(f) To provide students and their parents financing assistance for postsecondary education at a Michigan institution of higher education of their choice.

(g) To help provide the benefits of higher education to the people of this state.

(h) To encourage elementary and secondary students in this state to achieve high standards of performance.

History: 1986, Act 316, Imd. Eff. Dec. 23, 1986.

390.1424 Definitions.

Sec. 4. As used in this act, except where the context clearly requires otherwise:

(a) "Advance tuition payment contract" means a contract entered into by the trust and a purchaser pursuant

to section 6 to provide for the higher education of a qualified beneficiary.

(b) "Board" means the board of directors of the Michigan education trust described in section 10.

(c) "Fund" means the advance tuition payment fund created in section 9.

(d) "Purchaser" means a person who makes or is obligated to make advance tuition payments pursuant to an advance tuition payment contract.

(e) "Qualified beneficiary" means any resident of this state.

(f) "State institution of higher education" means a college or university described in section 4, 5, or 6 of article VIII of the state constitution of 1963 or any 4-year degree-granting institution established by the state after the effective date of this act, which institution is designated by the state as a state institution of higher education for purposes of this act.

(g) "Trust" means the Michigan education trust created in section 5.

(h) "Tuition" means the quarter or semester charges imposed to attend a state institution of higher education and all mandatory fees required as a condition of enrollment as determined by the board.

(i) "Weighted average tuition cost of state institutions of higher education" means the tuition cost arrived at by adding the products of the annual undergraduate tuition cost at each state institution of higher education and its total number of undergraduate fiscal year equated students, and then dividing the gross total of this cumulation by the total number of undergraduate fiscal year equated students attending state institutions of higher education.

History: 1986, Act 316, Imd. Eff. Dec. 23, 1986.

390.1425 Michigan education trust; creation; exercise of powers, duties, and functions.

Sec. 5. (1) There is created a public body corporate and politic to be known as the Michigan education trust. The trust shall be within the department of treasury, but shall exercise its prescribed statutory powers, duties, and functions independently of the head of that department.

(2) The purposes, powers, and duties of the Michigan education trust are vested in and shall be exercised by a board of directors.

History: 1986, Act 316, Imd. Eff. Dec. 23, 1986.

390.1426 Advance tuition payment contract generally.

Sec. 6. (1) The trust, on behalf of itself and the state, may contract with a purchaser for the advance payment of tuition by the purchaser for a qualified beneficiary to attend any of the state institutions of higher education to which the qualified beneficiary is admitted, without further tuition cost to the qualified beneficiary. In addition, an advance tuition payment contract shall set forth in a clear, understandable manner all of the following:

(a) The amount of the payment or payments required from the purchaser on behalf of the qualified beneficiary.

(b) The terms and conditions for making the payment, including, but not limited to, the date or dates upon which the payment, or portions of the payment, is due.

(c) Provisions for late payment charges and for default.

(d) The name and age of the qualified beneficiary under the contract, unless the contract is purchased by a state or local government agency or instrumentality or a person exempt from taxation as an organization described in section 501(c)(3) of the internal revenue code of 1986, 26 USC 501, as part of a scholarship program. The purchaser, with the approval of and on conditions determined by the trust, may subsequently substitute another person for the qualified beneficiary originally named.

(e) The number of credit hours covered by the contract.

(f) The name of the person entitled to terminate the contract. The contract may provide for termination by the purchaser, the qualified beneficiary, a person appointed to act on behalf of the purchaser or qualified beneficiary, or any combination of these persons.

(g) The terms and conditions under which the contract may be terminated and the amount of the refund, if any, to which the person terminating the contract, or specifically the purchaser or designated qualified beneficiary if the contract so provides, is entitled upon termination.

(h) The assumption of a contractual obligation by the trust to the qualified beneficiary on its own behalf and on behalf of the state to provide for credit hours of higher education, not to exceed the credit hours required for the granting of a baccalaureate degree, at any state institution of higher education to which the qualified beneficiary is admitted. The advance tuition payment contract shall provide for the credit hours of higher education that a qualified beneficiary may receive under the contract if the qualified beneficiary is not entitled to in-state tuition rates.

(i) The period of time from the beginning to the end of which the qualified beneficiary may receive the

benefits under the contract.

(j) All other rights and obligations of the purchaser and the trust.

(k) Other terms, conditions, and provisions as the trust considers in its sole discretion to be necessary or appropriate.

(2) The trust shall not enter into any advance tuition payment contract unless the state administrative board has approved of the form of that contract.

(3) The trust shall make any arrangements that are necessary or appropriate with state institutions of higher education in order to fulfill its obligations under advance tuition payment contracts. The arrangements may include, but need not be limited to, the payment by the trust of the then actual in-state tuition cost on behalf of a qualified beneficiary to the state institution of higher education.

(4) An advance tuition payment contract shall provide that the trust provide for the qualified beneficiary to attend a community or junior college in this state before entering a state institution of higher education if the beneficiary so chooses and that the contract may be terminated pursuant to section 8 after completing the requirements for a degree at the community or junior college in this state or before entering the state institution of higher education.

(5) An advance tuition payment contract may provide that, if after a number of years specified in the contract the contract has not been terminated or the qualified beneficiary's rights under the contract have not been exercised, the trust, after making a reasonable effort to locate the purchaser and qualified beneficiary or the agent of either, shall retain the amounts otherwise payable and the rights of the qualified beneficiary, the purchaser, or the agent of either shall be considered terminated.

(6) A writing or information provided to the trust for purposes of this section by a purchaser, qualified beneficiary, or person appointed under subsection (1)(f) is exempt from disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246. As used in this subsection, "writing" means that term as defined in section 2 of the freedom of information act, 1976 PA 442, MCL 15.232.

History: 1986, Act 316, Imd. Eff. Dec. 23, 1986;—Am. 2004, Act 388, Imd. Eff. Oct. 12, 2004.

390.1427 Plan A and Plan B.

Sec. 7. (1) At a minimum, the trust shall offer 1 of the 2 types of advance tuition payment contracts set forth in subsections (2) and (3), to be known as Plan A and Plan B, respectively.

(2) Under Plan A:

(a) A payment or series of payments shall be required from the purchaser on behalf of a qualified beneficiary.

(b) If an advance tuition payment contract is terminated before a qualified beneficiary earns a high school diploma or reaches the age of majority, or pursuant to section 8(1)(d), the trust shall refund the face amount of the payment or payments in accordance with the terms of the contract, less any administrative fee specified in the contract, but shall not refund any investment income attributable to the payments.

(c) Except as provided in subdivision (d), the trust shall provide for the qualified beneficiary to attend a state institution of higher education at which the qualified beneficiary attends for the number of credit hours required by the institution for the awarding of a baccalaureate degree, without further tuition cost to the qualified beneficiary, except as provided in section 6(1) for a qualified beneficiary who is not entitled to in-state tuition rates.

(d) As an alternative to subdivision (c), the trust shall provide for the qualified beneficiary to attend a state institution of higher education at which the qualified beneficiary attends for a fixed number of credit hours, as permitted by the trust, less than the total number of credit hours required by the institution for the awarding of a baccalaureate degree, without further tuition cost to the qualified beneficiary for that fixed number of credit hours, except as provided in section 6(1) for a qualified beneficiary who is not entitled to in-state tuition rates.

(3) Under Plan B:

(a) A payment or series of payments shall be required on behalf of a qualified beneficiary.

(b) If an advance tuition payment contract is terminated before a qualified beneficiary earns a high school diploma or reaches the age of majority, or pursuant to section 8(1)(d), the trust shall refund the face amount of the payment or payments in accordance with the terms of the contract, less any administrative fee specified in the contract, together with all or a specified portion of accrued investment income attributable to the payment or payments as may be agreed to in the contract.

(c) Except as provided in subdivision (d), the trust shall provide for the qualified beneficiary to attend a state institution of higher education at which the qualified beneficiary attends for the number of credit hours required by the institution for the awarding of a baccalaureate degree, without further tuition cost to the qualified beneficiary, except as provided in section 6(1) for a qualified beneficiary who is not entitled to in-state tuition rates.

(d) As an alternative to subdivision (c), the trust shall provide for the qualified beneficiary to attend a state institution of higher education at which the qualified beneficiary attends for a fixed number of credit hours, as permitted by the trust, less than the total number of credit hours required by the institution for the awarding of a baccalaureate degree, without further tuition cost to the qualified beneficiary for that fixed number of credit hours, except as provided in section 6(1) for a qualified beneficiary who is not entitled to in-state tuition rates.

(4) Contracts required to be offered by this section may require that payment or payments from a purchaser, on behalf of a qualified beneficiary who may attend a state institution of higher education in less than 4 years after the date the contract is entered into by the purchaser, be based upon attendance at a certain state institution of higher education or at that state institution of higher education with the highest prevailing tuition cost for the number of credit hours covered by the contract.

(5) A contract offered by the trust under this section shall be offered with 2 alternatives. The first alternative shall offer an advance tuition payment contract that provides the credit hours of higher education necessary for the granting of a baccalaureate degree at any of the state institutions of higher education. The second alternative shall provide that the number of credit hours of higher education a qualified beneficiary may receive under the contract will be reduced to a percentage of the credit hours required for the granting of a baccalaureate degree at a state institution of higher education, as specified in the contract, if the qualified beneficiary enrolls in a state institution of higher education imposing at the time the qualified beneficiary enrolls an annual tuition rate that is greater than 105% of the weighted average annual tuition rate of all state institutions of higher education. This subsection does not preclude a state institution of higher education at which a qualified beneficiary is entitled to receive less than the minimum number of credit hours required for the granting of a baccalaureate degree from providing that qualified beneficiary, without further tuition charges, the additional credit hours necessary to receive a baccalaureate degree.

(6) If a beneficiary of an advance tuition payment contract with either alternative designation described in subsection (5) attends a community or junior college for 2 years at the in-district tuition rate, that beneficiary then may attend any state institution of higher education at no additional tuition cost and receive the number of credit hours necessary for the awarding of a baccalaureate degree.

History: 1986, Act 316, Imd. Eff. Dec. 23, 1986;—Am. 2004, Act 388, Imd. Eff. Oct. 12, 2004.

390.1428 Termination of advance tuition payment contract; refund.

Sec. 8. (1) An advance tuition payment contract shall authorize a termination of the contract when any 1 of the following occurs:

(a) The qualified beneficiary dies.

(b) The qualified beneficiary is not admitted to a state institution of higher education after making proper application.

(c) The qualified beneficiary certifies to the trust that he or she has decided to attend and has been accepted by a Michigan independent, degree-granting institution of postsecondary education recognized by the state board of education or, after he or she has a high school diploma or has reached the age of majority, he or she has decided not to attend a state institution of higher education and requests, in writing, before July 15 of the year in which the qualified beneficiary desires to terminate the contract, that the advance tuition payment contract be terminated.

(d) Other circumstances, determined by the trust and set forth in the advance tuition payment contract, occur.

(2) Except as provided in section 7(2)(b) and (3)(b) and subsection (5), an advance tuition payment contract shall provide for a refund upon termination of the contract to a person to whom the refund is payable under the contract. All of the following apply to the refund described in this subsection:

(a) If the qualified beneficiary has a high school diploma or has reached the age of majority, and attends an institution of higher education, the amount of a refund, except as provided in subsection (4), is the lesser of the average tuition cost of all state institutions of higher education on the date of termination of the contract, or the face amount of the payment or payments and any accrued investment income attributable to the payment or payments, if he or she is covered by the first alternative described in section 7(5), or the lowest tuition cost of all state institutions of higher education on the date of termination of the contract if he or she is covered by the second alternative described in section 7(5) or does not attend an institution of higher education.

(b) The amount of a refund shall be reduced by an appropriate percentage if the purchaser entered into an advance tuition payment contract that provided for a fixed number of credit hours less than the total number of credit hours required by a state institution of higher education for the awarding of a baccalaureate degree, by the amount transferred to a community or junior college on behalf of a qualified beneficiary when the contract is terminated as provided in section 6(4), and by the amount transferred to a state institution of higher

education on behalf of a qualified beneficiary.

(c) The contract may provide that the trust may deny payment of a refund upon termination of the contract if the qualified beneficiary has completed more than 1/2 of the credit hours required by the state institution of higher education for the awarding of a baccalaureate degree. However, this subdivision shall not affect the termination and refund rights of a graduate of a community or junior college.

(d) Except as provided by subsection (3), the trust shall make refund payments in equal installments over 4 years and not later than August 15 of the year due.

(3) An advance tuition payment contract shall authorize a person, who is entitled under the advance tuition payment contract to terminate the contract, to direct payment of the refund to an independent degree-granting college or university located in this state or to a community or junior college located in this state. If directed to make payments pursuant to this subsection, the trust shall transfer to the designated institution an amount equal to the tuition due for the qualified beneficiary, but the trust shall not transfer a cumulative amount greater than the refund to which the person is entitled. If the refund exceeds the total amount of transfers directed to the designated institution, the excess shall be returned to the person to whom the refund is otherwise payable.

(4) Notwithstanding any other section of this act, the amount of a refund paid upon termination of the advance tuition payment contract by a person who directs the trust pursuant to subsection (3) to transfer the refund to an independent degree-granting college or university located in this state shall not be less than the prevailing weighted average tuition cost of state institutions of higher education for the number of credit hours covered by the contract on the date of termination. In calculating the amount of a refund for an advance payment contract containing the restrictions provided by section 7(5), the prevailing weighted average tuition cost shall be based upon only those state institutions of higher education at which the qualified beneficiary could have received sufficient credit hours for a baccalaureate degree.

(5) The trust may offer an advance tuition payment contract that does not provide for a refund under subsection (2) to a purchaser who is an individual, state or local government agency or instrumentality, or a person exempt from taxation as an organization described in section 501(c)(3) of the internal revenue code of 1986, 26 USC 501, and who is purchasing the contract as part of a scholarship program. The price of a contract offered pursuant to this subsection shall be established to reflect that the terms of the contract do not provide for a refund.

History: 1986, Act 316, Imd. Eff. Dec. 23, 1986;—Am. 2004, Act 388, Imd. Eff. Oct. 12, 2004.

390.1429 Advance tuition payment fund; creation; placement of payments in fund; division of fund into separate accounts; assets of trust; priority of expenditures; investments; compliance with divestment from terror act.

Sec. 9. (1) There is created under the jurisdiction and control of the board an advance tuition payment fund. Payments received by the trust from purchasers on behalf of qualified beneficiaries or from any other source, public or private, shall be placed in the fund. The fund may be divided into separate accounts.

(2) Assets of the trust are not considered state money, common cash of the state, revenue for the purposes of sections 26 to 34 of article IX of the state constitution of 1963, or state money for the purposes of 1982 PA 259, MCL 12.61 to 12.64.

(3) Unless otherwise provided by resolution of the board, assets of the trust shall be expended in the following order of priority:

- (a) To make payments to state institutions of higher education on behalf of qualified beneficiaries.
- (b) To make refunds upon termination of an advance tuition payment contract.
- (c) To pay the costs of administration and organization of the trust and the fund.

(4) Except as provided in subsection (5), the board may invest assets of the trust in any instrument, obligation, security, or property considered appropriate by the board and may be pooled for investment purposes with investments of the state, including, but not limited to, state pension funds, on such terms and conditions as are agreeable to the board.

(5) The board shall comply with the divestment from terror act in making investments under this act.

History: 1986, Act 316, Imd. Eff. Dec. 23, 1986;—Am. 2008, Act 239, Imd. Eff. July 17, 2008.

390.1430 Board; appointment, qualifications, and terms of members; vacancy; deputy; chairperson; president and chief executive officer of trust; vice-president of trust; compensation; expenses; delegation of functions and authority; quorum; voting; meetings; conducting business at public meeting; notice; availability of writings to public.

Sec. 10. (1) The board shall consist of the state treasurer, and 8 other members with knowledge, skill, and

experience in the academic, business, or financial field, who shall be appointed by the governor, by and with the advice and consent of the senate. Not more than 2 of the 8 appointed members of the board shall be, during their term of office on the board, either officials, appointees, or employees of this state. Of the 6 remaining members appointed by the governor, 1 shall be appointed from 1 or more nominees of the speaker of the house of representatives, 1 shall be appointed from 1 or more nominees of the majority leader of the senate, 1 shall be a president of a state institution of higher education who shall be appointed from nominees of the president's council of state colleges and universities, 1 shall be a president of a community or junior college who shall be appointed from nominees of the Michigan community college association, and 1 shall represent the interests of independent degree-granting colleges and universities located in this state. Six of the 8 appointed members shall serve for fixed terms. Of the 6 such members first appointed, 2 shall be appointed for a term that expires December 31, 1987, 2 shall be appointed for a term that expires December 31, 1988, and 2 shall be appointed for a term that expires December 31, 1989. Upon completion of each fixed term, a member shall be appointed for a term of 3 years. A member shall serve until a successor is appointed, and a vacancy shall be filled for the balance of the unexpired term in the same manner as the original appointment. The chief executive officer or director of any state department, who is a designated member of or an appointee to the board, may appoint a deputy to serve as a voting member of the board in the absence of the chief executive officer or director. The governor shall designate 1 member of the board to serve as its chairperson. The governor shall appoint 2 members of the board to serve at the pleasure of the governor, 1 of whom shall be designated by the governor as the president and chief executive officer of the trust and 1 of whom shall be designated by the governor as the vice-president of the trust.

(2) Members of the board, other than the president and vice-president if they are not otherwise employees of the state, shall serve without compensation, but shall receive reasonable reimbursement for actual and necessary expenses.

(3) The board may delegate to its president, vice-president, or others such functions and authority as the board considers necessary or appropriate. These functions may include, but are not limited to, the oversight and supervision of employees of the trust.

(4) A majority of the members of the board serving shall constitute a quorum for the transaction of business at a meeting of the board, or the exercise of a power or function of the trust, notwithstanding the existence of 1 or more vacancies. Voting upon action taken by the board shall be conducted by majority vote of the members present in person at a meeting of the board, and, if authorized by the bylaws of the board and when a quorum is present in person at the meeting, by use of amplified telephonic equipment. The board shall meet at the call of the chair and as may be provided in the bylaws of the trust. Meetings of the board may be held anywhere within the state.

(5) The business which the board may perform shall be conducted at a public meeting of the board held in compliance with the open meetings act, Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Public notice of the time, date, and place of the meeting shall be given in the manner required by Act No. 267 of the Public Acts of 1976.

(6) A writing prepared, owned, used, in the possession of, or retained by the board in the performance of an official function shall be made available to the public in compliance with the freedom of information act, Act No. 442 of the Public Acts of 1976, being sections 15.231 to 15.246 of the Michigan Compiled Laws.

History: 1986, Act 316, Imd. Eff. Dec. 23, 1986.

390.1431 Additional powers of board.

Sec. 11. In addition to the powers granted by other provisions of this act, the board shall have the powers necessary or convenient to carry out and effectuate the purposes, objectives, and provisions of this act, the purposes and objectives of the trust, and the powers delegated by other laws or executive orders, including, but not limited to, the power to:

(a) Except as provided in section 9(5), invest any money of the trust, at the board's discretion, in any instruments, obligations, securities, or property determined proper by the board, and name and use depositories for its money.

(b) Pay money to state institutions of higher education from the trust.

(c) Impose reasonable residency requirements for qualified beneficiaries.

(d) Impose reasonable limits on the number of participants in the trust.

(e) Segregate contributions and payments to the trust into various accounts and funds.

(f) Contract for goods and services and engage personnel as is necessary and engage the services of private consultants, actuaries, managers, legal counsel, and auditors for rendering professional, management, and technical assistance and advice, payable out of any money of the trust.

(g) Solicit and accept gifts, grants, loans, and other aids from any person or the federal, state, or a local

government or any agency of the federal, state, or a local government, or to participate in any other way in any federal, state, or local government program.

(h) Charge, impose, and collect administrative fees and charges in connection with any transaction and provide for reasonable penalties, including default, for delinquent payment of fees or charges or for fraud.

(i) Procure insurance against any loss in connection with the trust's property, assets, or activities.

(j) Sue and be sued; to have a seal and alter the same at pleasure; to have perpetual succession; to make, execute, and deliver contracts, conveyances, and other instruments necessary or convenient to the exercise of its powers; and to make and amend bylaws.

(k) Enter into contracts on behalf of the state.

(l) Administer the funds of the trust.

(m) Indemnify or procure insurance indemnifying any member of the board from personal loss or accountability from liability resulting from a member's action or inaction as a member of the board, including, but not limited to, liability asserted by a person on any bonds or notes of the authority.

(n) Impose reasonable time limits on use of the tuition benefits provided by the trust, if the limits are made a part of the contract.

(o) Define the terms and conditions under which money may be withdrawn from the trust, including, but not limited to, reasonable charges and fees for any such withdrawal, if the terms and conditions are made a part of the contract.

(p) Provide for receiving contributions in lump sums or periodic sums.

(q) Establish policies, procedures, and eligibility criteria to implement this act.

(r) Enter into arrangements with Michigan institutions of higher education for the trust to offer on behalf of the institution advance tuition payment contracts under which the Michigan institution of higher education will be contractually obligated to provide a beneficiary under the contract with credit hours of higher education in addition to those required for a baccalaureate degree.

History: 1986, Act 316, Imd. Eff. Dec. 23, 1986;—Am. 2008, Act 239, Imd. Eff. July 17, 2008.

Administrative rules: R 390.1801 et seq. of the Michigan Administrative Code.

390.1432 Accounting of trust generally.

Sec. 12. The board shall annually prepare or cause to be prepared an accounting of the trust and shall transmit a copy of the accounting to the governor, the majority leader of the senate, the speaker of the house of representatives, and the respective minority leaders of the senate and house of representatives. The board shall also make available the accounting of the trust to the purchasers of the trust. The accounts of the board shall be subject to annual audits by the state auditor general or a certified public accountant appointed by the auditor general.

History: 1986, Act 316, Imd. Eff. Dec. 23, 1986.

390.1433 Actuarial soundness of trust; ruling or opinion internal revenue service; answer from securities and exchange commission; making status of request known.

Sec. 13. (1) The trust shall be administered in a manner reasonably designed to be actuarially sound such that the assets of the trust will be sufficient to defray the obligations of the trust.

(2) In the accounting of the trust made pursuant to section 12, the trust board shall annually evaluate and cause to be evaluated by a nationally recognized actuary the actuarial soundness of the trust and determine the additional assets needed, if any, to defray the obligations of the trust. If there are not funds sufficient to ensure the actuarial soundness of the trust as determined by the nationally recognized actuary, the trust shall adjust payments of subsequent purchasers to ensure its actuarial soundness. If there are insufficient numbers of new purchasers to ensure the actuarial soundness of a plan of the trust, the available assets of the trust attributable to the plan shall be immediately prorated among the then existing contracts, and these shares shall be applied, at the option of the person to whom the refund is payable or would be payable under the contract upon termination of the contract, either towards the purposes of the contract for a qualified beneficiary or disbursed to the person to whom the refund is payable or would be payable under the contract upon termination of the contract.

(3) An advance tuition payment contract shall not be entered by the trust until the internal revenue service has issued a favorable ruling or opinion that the purchaser of the advance tuition payment contract will not be considered actually or constructively to be in receipt of income. If an unfavorable ruling or opinion with regard to this issue is rendered by the internal revenue service, the board shall present a report to the legislature outlining recommendations for the modification and continuance of the program, including a recommendation of whether the trust may offer contracts on behalf of itself to provide for the advance purchase of incremental portions of the number of credit hours necessary for a baccalaureate degree.

(4) Before entering into advance tuition payment contracts with purchasers, the state shall solicit answers to appropriate ruling requests from the securities and exchange commission regarding the application of federal security laws to the trust. No contracts shall be entered without the authority making known the status of the request.

History: 1986, Act 316, Imd. Eff. Dec. 23, 1986.

390.1434 Enforcement of act and contract.

Sec. 14. State institutions of higher education, purchasers, and qualified beneficiaries may enforce this act and any contract entered into pursuant to this act in the circuit court for Ingham county.

History: 1986, Act 316, Imd. Eff. Dec. 23, 1986.

390.1435 Exemption from taxation.

Sec. 15. The property of the trust and its income and operation shall be exempt from all taxation by this state or any of its political subdivisions.

History: 1986, Act 316, Imd. Eff. Dec. 23, 1986.

390.1436 Contracting services necessary for management and operation of trust; instituting programs to ensure full tuition prepayment plans; report to legislature.

Sec. 16. The trust, in its discretion, may contract with others, public or private, for the provision of all or a portion of the services necessary for the management and operation of the trust. The trust shall also endeavor to work with private sector investment managers, state institutions of higher education, and independent degree-granting colleges and universities in this state to study the feasibility of instituting programs between these parties that insure full tuition payment upon purchase of a prepayment plan. The trust shall evaluate the feasibility and actuarial soundness of a prepayment plan exclusively for community and junior colleges. The board shall submit a report to the legislature before December 31, 1988 regarding its success at instituting programs between private sector investment managers, state institutions of higher education, and independent degree-granting colleges and universities of the state that insure full tuition prepayment plans.

History: 1986, Act 316, Imd. Eff. Dec. 23, 1986.

390.1437 Preserving, investing, and expending assets of trust.

Sec. 17. The assets of the trust shall be preserved, invested, and expended solely pursuant to and for the purposes set forth in this act and shall not be loaned or otherwise transferred or used by the state for any purpose other than the purposes of this act. This section shall not be construed to prohibit the trust from investing in, by purchase or otherwise, bonds, notes, or other obligations of the state, an agency of the state, or an instrumentality of the state.

History: 1986, Act 316, Imd. Eff. Dec. 23, 1986.

390.1438 Prohibited promises or guarantees.

Sec. 18. Nothing in this act or in an advance tuition payment contract entered into pursuant to this act shall be construed as a promise or guarantee by the trust or the state that a person will be admitted to a state institution of higher education or to a particular state institution of higher education, will be allowed to continue to attend a state institution of higher education after having been admitted, or will be graduated from a state institution of higher education.

History: 1986, Act 316, Imd. Eff. Dec. 23, 1986.

390.1439 Exemption of contract from uniform securities act; sale or transfer of contract.

Sec. 19. An advance tuition payment contract is exempt from the uniform securities act, 1964 PA 265, MCL 451.501 to 451.818, and the uniform securities act (2002), 2008 PA 551, MCL 451.2101 to 451.2703. An advance tuition payment contract may not be sold or otherwise transferred by the purchaser or qualified beneficiary without the prior approval of the trust.

History: 1986, Act 316, Imd. Eff. Dec. 23, 1986;—Am. 2009, Act 96, Imd. Eff. Sept. 24, 2009.

390.1440 Payments deductible from taxable income.

Sec. 20. Pursuant to section 30 of the income tax act of 1967, Act No. 281 of the Public Acts of 1967, being section 206.30 of the Michigan Compiled Laws, the purchaser may deduct from taxable income the following payments made by the purchaser in the tax year:

(a) The amount of payment made under an advance tuition payment contract.

(b) The amount of payment made under a contract with a private sector investment manager that meets all of the following criteria:

(i) The contract is certified and approved by the board to provide equivalent benefits and rights to purchasers and beneficiaries as an advance tuition payment contract.

(ii) The contract applies only for a state institution of higher education or a community or junior college.

(iii) The contract provides for enrollment by the contract's qualified beneficiary in not less than 4 years after the date on which the contract is entered into.

(iv) The contract is entered into either:

(A) After the purchaser has had his or her offer to enter into an advance tuition payment contract rejected by the board, if the board determines that the trust cannot accept an unlimited number of enrollees upon an actuarially sound basis.

(B) After the board determines that the trust can accept an unlimited number of enrollees upon an actuarially sound basis.

History: 1986, Act 316, Imd. Eff. Dec. 23, 1986.

390.1441 Liberal construction; powers to be broadly interpreted.

Sec. 21. This act shall be construed liberally to effectuate the legislative intent, the purposes of the act, and as complete and independent authority for the performance of each and every act and thing authorized in the act, and all powers granted in the act shall be broadly interpreted to effectuate such intent and purposes and not as to limitation of powers.

History: 1986, Act 316, Imd. Eff. Dec. 23, 1986.

390.1442 Severability.

Sec. 22. If any section, subsection, paragraph, clause, or provision of this act shall be adjudged unconstitutional or ineffective, no other section, subsection, paragraph, clause, or provision of this act shall on account thereof be considered invalid or ineffective, and the applicability or invalidity of any section, subsection, paragraph, clause, or provision of this act in any 1 or more instances or under any 1 or more circumstances shall not be taken to affect or prejudice its applicability or validity in any other instance or under any other circumstance.

History: 1986, Act 316, Imd. Eff. Dec. 23, 1986.

390.1443, 390.1444 Repealed. 2004, Act 388, Imd. Eff. Oct. 12, 2004.

Compiler's note: The repealed sections pertained to condition to entering contract and conditional repeal of act.

MICHIGAN MERIT AWARD SCHOLARSHIP ACT **Act 94 of 1999**

390.1451-390.1459 Repealed. 2006, Act 479, Eff. Sept. 30, 2017.

MICHIGAN EDUCATION SAVINGS PROGRAM ACT
Act 161 of 2000

AN ACT to create the Michigan education savings program; to provide for education savings accounts; to prescribe the powers and duties of certain state agencies, boards, and departments; to allow certain tax credits or deductions; and to provide for penalties and remedies.

History: 2000, Act 161, Imd. Eff. June 16, 2000.

The People of the State of Michigan enact:

390.1471 Short title.

Sec. 1. This act shall be known and may be cited as the "Michigan education savings program act".

History: 2000, Act 161, Imd. Eff. June 16, 2000.

390.1472 Definitions.

Sec. 2. As used in this act:

- (a) "Account" or "education savings account" means an account established under this act.
- (b) "Account owner" means any of the following:
 - (i) The individual who enters into a Michigan education savings program agreement and establishes an education savings account. The account owner may also be the designated beneficiary of the account.
 - (ii) A state or local government agency or instrumentality, an entity exempt from taxation under section 501(c)(3) of the internal revenue code, an estate or trust, or a corporation that enters into a Michigan education savings program agreement and establishes an education savings account.
- (c) "Board" means the board of directors of the Michigan education trust described in section 10 of the Michigan education trust act, 1986 PA 316, MCL 390.1430.
- (d) "Department" means the department of treasury.
- (e) "Designated beneficiary" means the individual designated as the individual whose higher education expenses are expected to be paid from the account.
- (f) "Eligible educational institution" means that term as defined in section 529 of the internal revenue code or a college, university, community college, or junior college described in section 4, 5, or 6 of article VIII of the state constitution of 1963 or established under section 7 of article VIII of the state constitution of 1963.
- (g) "Internal revenue code" means the United States internal revenue code of 1986 in effect on January 1, 2002 or at the option of the taxpayer, in effect for the current year.
- (h) "Management contract" means the contract executed between the treasurer and a program manager.
- (i) "Member of the family" means a family member as defined in section 529 of the internal revenue code.
- (j) "Michigan education savings program agreement" means the agreement between the program and an account owner that establishes an education savings account.
- (k) "Program" means the Michigan education savings program established pursuant to this act.
- (l) "Program manager" means an entity selected by the treasurer to act as a manager of 1 or more of the savings plans offered under the program.
- (m) "Qualified higher education expenses" means qualified higher education expenses as defined in section 529 of the internal revenue code.
- (n) "Qualified withdrawal" means a distribution that is not subject to a penalty or an excise tax under section 529 of the internal revenue code, a penalty under this act, or taxation under the income tax act of 1967, 1967 PA 281, MCL 206.1 to 206.532, and that meets any of the following:
 - (i) A withdrawal from an account to pay the qualified higher education expenses of the designated beneficiary incurred after the account is established.
 - (ii) A withdrawal made as the result of the death or disability of the designated beneficiary of an account.
 - (iii) A withdrawal made because a beneficiary received a scholarship that paid for all or part of the qualified higher education expenses of the beneficiary to the extent the amount of the withdrawal does not exceed the amount of the scholarship.
 - (iv) A withdrawal made because a beneficiary attended a service academy to the extent that the amount of the withdrawal does not exceed the costs of the advanced education attributable to the beneficiary's attendance in the service academy.
 - (v) A transfer of funds due to the termination of the management contract as provided in section 5.
 - (vi) A transfer of funds as provided in section 8.
- (o) "Savings plan" or "plans" means a plan that provides different investment strategies and allows account distributions for qualified higher education expenses.

(p) "Service academy" means the United States military academy, United States naval academy, United States air force academy, United States coast guard academy, or United States merchant marine academy.

(q) "Treasurer" means the state treasurer.

History: 2000, Act 161, Imd. Eff. June 16, 2000;—Am. 2001, Act 215, Eff. Jan. 1, 2002;—Am. 2004, Act 387, Imd. Eff. Oct. 12, 2004;—Am. 2007, Act 153, Imd. Eff. Dec. 20, 2007;—Am. 2010, Act 6, Imd. Eff. Mar. 4, 2010.

390.1473 Michigan education savings program; establishment; soliciting proposals; duties and powers vested in treasurer; administration of program; funds trustee; personnel and services; selection of program manager; contract.

Sec. 3. (1) The Michigan education savings program is established in the department of treasury. The program may consist of 1 or more savings plans.

(2) The treasurer shall solicit proposals from entities to be a program manager to provide the services described in subsection (5).

(3) The purposes, powers, and duties of the Michigan education savings program are vested in and shall be exercised by the treasurer or the designee of the treasurer.

(4) The state treasurer shall administer the Michigan education savings program and shall be the trustee for the funds of the Michigan education savings program. The treasurer may use program revenues to maintain or enhance the state's qualified tuition programs.

(5) The treasurer may employ or contract with personnel and contract for services necessary for the administration of each savings plan under the program and the investment of the assets of each savings plan under the program including, but not limited to, managerial, professional, legal, clerical, technical, and administrative personnel or services.

(6) When selecting a program manager, the treasurer shall give preference to proposals from single entities that propose to provide all of the functions described in subsection (5) and that demonstrate the most advantageous combination, to both potential participants and this state, of the following factors and the management contract shall address these factors:

(a) Financial stability.

(b) The safety of the investment instruments being offered.

(c) The ability of the investment instruments to track the increasing costs of higher education.

(d) The ability of the entity to satisfy the record-keeping and reporting requirements of this act.

(e) The entity's plan for marketing the savings plan and the investment it is willing to make to promote the savings plan.

(f) The fees, if any, proposed to be charged to persons for opening or maintaining an account.

(g) The minimum initial deposit and minimum contributions that the entity will require which, for the first year of the savings plan, shall not be greater than \$25.00 for a cash contribution or \$15.00 per pay period for payroll deduction plans.

(h) The ability of the entity to accept electronic withdrawals, including payroll deduction plans.

(7) The treasurer shall enter into a contract with each program manager which shall address the respective authority and responsibility of the treasurer and the program manager to do all of the following:

(a) Develop and implement the savings plan or plans offered under the program.

(b) Invest the money received from account owners in 1 or more investment instruments.

(c) Engage the services of consultants on a contractual basis to provide professional and technical assistance and advice.

(d) Determine the use of financial organizations as account depositories and financial managers.

(e) Charge, impose, and collect annual administrative fees and service in connection with any agreements, contracts, and transactions relating to individual accounts, exclusive of initial sales charges, which shall not exceed 2.0% of the average daily net assets of the account.

(f) Develop marketing plans and promotional material.

(g) Establish the methods by which funds are allocated to pay for administrative costs.

(h) Provide criteria for terminating and not renewing the management contract.

(i) Address the ability of the program manager to take any action required to keep the savings plan or plans offered under the program in compliance with requirements of this act and its management contract and to manage the savings plan or plans offered under the program to qualify as a qualified tuition program under section 529 of the internal revenue code.

(j) Keep adequate records of each account and provide the treasurer with information that the treasurer requires related to those records.

(k) Compile the information contained in statements required to be prepared under this act and provide that compilation to the treasurer in a timely manner.

(l) Hold all accounts for the benefit of the account owner.

(m) Provide for audits at least annually by a firm of certified public accountants.

(n) Provide the treasurer with copies of all regulatory filings and reports related to the savings plan or plans offered under the program made during the term of the management contract or while the program manager is holding any accounts, other than confidential filings or reports except to the extent those filings or reports are related to or are a part of the savings plan or plans offered under the program. It is the responsibility of the program manager to make available for review by the treasurer the results of any periodic examination of the program manager by any state or federal banking, insurance, or securities commission, except to the extent that the report or reports are not required to be disclosed under state or federal law.

(o) Ensure that any description of the savings plan or plans offered under the program, whether in writing or through the use of any media, is consistent with the marketing plan developed by the program manager.

(p) Take any other necessary and proper activities to carry out the purposes of this act.

History: 2000, Act 161, Imd. Eff. June 16, 2000;—Am. 2001, Act 215, Eff. Jan. 1, 2002;—Am. 2007, Act 153, Imd. Eff. Dec. 20, 2007.

390.1474 Management contract; supervision by treasurer.

Sec. 4. The treasurer shall be responsible for the ongoing supervision of each management contract in consultation with the board.

History: 2000, Act 161, Imd. Eff. June 16, 2000;—Am. 2007, Act 153, Imd. Eff. Dec. 20, 2007.

390.1475 Management contract; term; termination.

Sec. 5. (1) A management contract shall be for a term of years specified in the management contract.

(2) The treasurer may terminate a management contract based on the criteria specified in the management contract.

History: 2000, Act 161, Imd. Eff. June 16, 2000;—Am. 2007, Act 153, Imd. Eff. Dec. 20, 2007.

390.1476 Contracts.

Sec. 6. The treasurer may enter into contracts that it considers necessary and proper for the implementation of this program.

History: 2000, Act 161, Imd. Eff. June 16, 2000.

390.1477 Education savings accounts; establishment; purpose; agreement; form of contribution; withdrawal; distributions; penalty; separate accounting for each beneficiary.

Sec. 7. (1) Beginning October 1, 2000, education savings accounts may be established under this act.

(2) Any individual or entity described in section 2(b)(ii) may open 1 or more education savings accounts to save money to pay the qualified higher education expenses of 1 or more designated beneficiaries. An account owner shall open only 1 account for any 1 designated beneficiary. Each account opened under this act shall have only 1 designated beneficiary.

(3) To open an education savings account, the individual or entity described in section 2(b)(ii) shall enter into a Michigan education savings program agreement with the program. The Michigan education savings program agreement shall be in the form prescribed by a program manager and approved by the treasurer and contain all of the following:

(a) The name, address, and social security number or employer identification number of the account owner.

(b) A designated beneficiary. A state or local government agency or instrumentality, a person exempt from taxation as an organization described in section 501(c)(3) of the internal revenue code, or a corporation, as part of a scholarship program, may defer naming a designated beneficiary consistent with the terms of the applicable Michigan education savings program agreement.

(c) The name, address, and social security number of the designated beneficiary.

(d) Any other information that the treasurer or program manager considers necessary.

(4) Any individual or entity described in section 2(b)(ii) may make contributions to an account.

(5) Contributions to accounts shall only be made in cash, by check, by credit card, or by any similar method as approved by the state treasurer but shall not be property.

(6) An account owner may withdraw all or part of the balance from an account on 60 days' notice, or a shorter period as authorized in the Michigan education savings program agreement.

(7) Distributions from an account shall be requested on a form approved by the state treasurer. A program manager may retain from the distribution the amount necessary to comply with federal and state tax laws. Distributions may be made in the following manner:

(a) Directly to an eligible education institution.

(b) In the form of a check payable to both the designated beneficiary and the eligible educational institution.

(c) In the form of a check payable to the designated beneficiary or account holder.

(d) In the form of an electronic funds transfer to an account specified by the designated beneficiary or account holder.

(8) Except as otherwise provided in this subsection for tax years that begin before January 1, 2002, if the distribution is not a qualified withdrawal, a program manager shall withhold an amount equal to 10% of the distribution amount as a penalty and pay that amount to the department for deposit into the general fund. For a distribution made after December 31, 2001 that is not a qualified withdrawal, if an excise tax or penalty is imposed under section 529 of the internal revenue code pursuant to section 530(d)(4) of the internal revenue code, a penalty shall not be imposed under this subsection for that distribution. If a distribution that is not a qualified withdrawal is made after December 31, 2001 and an excise tax or penalty is not imposed under section 529 of the internal revenue code pursuant to section 530(d)(4) of the internal revenue code on that distribution, a program manager shall withhold an amount equal to 10% of the accumulated earnings attributable to that distribution amount as a penalty and pay that amount to the department for deposit into the general fund. The penalty under this subsection may be increased or decreased if the treasurer and the program manager determine that it is necessary to increase or decrease the penalty to comply with section 529 of the internal revenue code.

(9) Each savings plan under the program shall provide separate accounting for each designated beneficiary.

History: 2000, Act 161, Imd. Eff. June 16, 2000;—Am. 2001, Act 215, Eff. Jan. 1, 2002;—Am. 2004, Act 387, Imd. Eff. Oct. 12, 2004;—Am. 2007, Act 153, Imd. Eff. Dec. 20, 2007;—Am. 2010, Act 6, Imd. Eff. Mar. 4, 2010.

390.1478 Account owner or beneficiary; changes; transfer.

Sec. 8. (1) An account owner may designate another individual as a successor owner of the account in the event of the death of the account owner.

(2) An account owner may change the designated beneficiary of an account to a member of the family of the previously designated beneficiary as provided in the management contract or as otherwise provided in this act.

(3) An account owner may transfer ownership of all or a portion of an account to an individual or entity that is eligible to be an account owner under this act.

(4) An account owner may transfer all or a portion of an account to another education savings account. The designated beneficiary of the account to which the transfer is made must be a member of the family.

(5) An account owner may transfer all or a portion of an account to an account in a qualified tuition program under section 529 of the internal revenue code, other than the program under this act, once every 12 months, without a change in designated beneficiary.

(6) Changes in designated beneficiaries and transfers under this section are not permitted to the extent that the change or transfer would constitute excess contributions or unauthorized investment choices.

History: 2000, Act 161, Imd. Eff. June 16, 2000;—Am. 2001, Act 215, Eff. Jan. 1, 2002;—Am. 2004, Act 387, Imd. Eff. Oct. 12, 2004.

390.1479 Account owner or beneficiary; direction of contributions or earnings; selection of investment strategy; contributions by board members or employees; use of interest; restriction.

Sec. 9. (1) Except as otherwise provided in this section, an account owner or a designated beneficiary of any account shall not direct the investment of any contributions to an account or the earnings on an account.

(2) An account owner may select among different investment strategies designed by a program manager to the extent allowed under section 529 of the internal revenue code.

(3) The program may allow board members or employees of the program, or the board members or employees of a contractor hired by the program to perform administrative services, to make contributions to an account.

(4) An interest in an account shall not be used by an account owner or a designated beneficiary as security for a loan. Any pledge of an interest in an account has no force or effect.

History: 2000, Act 161, Imd. Eff. June 16, 2000;—Am. 2001, Act 215, Eff. Jan. 1, 2002;—Am. 2004, Act 387, Imd. Eff. Oct. 12, 2004;—Am. 2007, Act 153, Imd. Eff. Dec. 20, 2007;—Am. 2016, Act 51, Imd. Eff. Mar. 22, 2016.

390.1480 Maximum account balance limit; limitation; rejection of contribution to designated beneficiary account; total balance of all accounts.

Sec. 10. (1) The maximum account balance limit for all of the accounts that name any 1 individual as the

designated beneficiary shall not exceed a maximum of \$500,000.00.

(2) The program shall reject a contribution to any account for a designated beneficiary if, at the time of the contribution, the total balance of all accounts for that designated beneficiary has reached the maximum account balance limit under subsection (1). Accounts may continue to accrue earnings if the total balance of all accounts for that beneficiary has reached the maximum account balance limit and shall not be considered to have exceeded the maximum account balance limit under subsection (1). For purposes of this subsection, the total balance of all accounts for that designated beneficiary includes the amount of payment or payments required from a purchaser on behalf of a qualified beneficiary made under an advance tuition payment contract as provided in the Michigan education trust act, 1986 PA 316, MCL 390.1421 to 390.1442, if the designated beneficiary is also the qualified beneficiary.

History: 2000, Act 161, Imd. Eff. June 16, 2000;—Am. 2001, Act 215, Eff. Jan. 1, 2002;—Am. 2015, Act 163, Eff. Jan. 26, 2016.

390.1481 Account distributions; report to internal revenue service and account owner; statements.

Sec. 11. (1) Each program manager shall report distributions from an account to any individual or for the benefit of any individual during a tax year to the internal revenue service and the account owner or, to the extent required by federal law or regulation, to the distributee.

(2) Each program manager shall provide statements that identify the individual contributions made during the tax year, the total contributions made to the account for the tax year, the value of the account at the end of the tax year, distributions made during the tax year, and any other information that the treasurer requires to each account owner on or before the January 31 following the end of each calendar year.

History: 2000, Act 161, Imd. Eff. June 16, 2000;—Am. 2007, Act 153, Imd. Eff. Dec. 20, 2007.

390.1482 Disclosure of information.

Sec. 12. Each program manager shall disclose the following information in writing to each account owner of an education savings account and any other person who requests information about an education savings account:

- (a) The terms and conditions for establishing an education savings account.
- (b) Restrictions on the substitutions of designated beneficiaries and transfer of account funds.
- (c) The person or entity entitled to terminate a Michigan education savings program agreement.
- (d) The period of time during which a designated beneficiary may receive benefits under the Michigan education savings program agreement.
- (e) The terms and conditions under which money may be wholly or partially withdrawn from an account or the program, including, but not limited to, any reasonable charges and fees and penalties that may be imposed for withdrawal.
- (f) The potential tax consequences associated with contributions to and distributions and withdrawals from accounts.
- (g) Investment history and potential growth of account funds and a projection of the impact of the growth of the account funds on the maximum amount allowable in an account.
- (h) All other rights and obligations under Michigan education savings program agreements and any other terms, conditions, and provisions of a contract or an agreement entered into under this act.

History: 2000, Act 161, Imd. Eff. June 16, 2000;—Am. 2007, Act 153, Imd. Eff. Dec. 20, 2007.

390.1483 Construction or interpretation of act and agreement.

Sec. 13. This act and any agreement under this act shall not be construed or interpreted to do any of the following:

- (a) Give any designated beneficiary any rights or legal interest with respect to an account unless the designated beneficiary is the account owner.
- (b) Guarantee that a designated beneficiary will be admitted to an eligible educational institution or, upon admission to an eligible educational institution, will be permitted to continue to attend or will receive a degree from the eligible educational institution.
- (c) Give residency status to an individual merely because the individual is a designated beneficiary.
- (d) Guarantee that amounts contributed to an account will be sufficient to cover the qualified higher education expenses of a designated beneficiary.

History: 2000, Act 161, Imd. Eff. June 16, 2000.

390.1484 Obligation upon state, agency, or instrumentality of state.

Sec. 14. (1) This act does not create and shall not be construed to create any obligation upon this state or

any agency or instrumentality of this state to guarantee for the benefit of an account owner or designated beneficiary any of the following:

(a) The rate of interest or other return on an account.

(b) The payment of interest or other return on an account.

(2) The contracts, applications, deposit slips, and other similar documents used in connection with a contribution to an account shall clearly indicate that the account is not insured by this state and that the money deposited into and investment return earned on an account are not guaranteed by this state.

History: 2000, Act 161, Imd. Eff. June 16, 2000.

390.1485 Annual report.

Sec. 15. Each program manager shall file an annual report with the treasurer and the board that includes all of the following:

(a) The names and identification numbers of account owners, designated beneficiaries, and distributees of family tuition accounts. The information reported pursuant to this subdivision is not subject to the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(b) The total amount contributed to all accounts during the year.

(c) All distributions from all accounts and whether or not each distribution was a qualified withdrawal.

(d) Any information that the program manager or treasurer may require regarding the taxation of amounts contributed to or withdrawn from accounts.

History: 2000, Act 161, Imd. Eff. June 16, 2000;—Am. 2007, Act 153, Imd. Eff. Dec. 20, 2007.

390.1486 Contributions and interest earned as tax exempt; withdrawals as taxable.

Sec. 16. (1) Contributions to and interest earned on an education savings account are exempt from taxation as provided in sections 30 and 30f of the income tax act of 1967, 1967 PA 281, MCL 206.30 and 206.30f.

(2) Withdrawals made from education savings accounts are taxable as provided in section 30 of the income tax act of 1967, 1967 PA 281, MCL 206.30.

History: 2000, Act 161, Imd. Eff. June 16, 2000.

STUDENT ATHLETES
Act 477 of 1988

AN ACT to prohibit the giving and receiving of money and certain things of value in connection with certain student athletes; to provide penalties; to impose certain duties on the department of education; and to provide for the promulgation of rules.

History: 1988, Act 477, Eff. Mar. 30, 1989.

The People of the State of Michigan enact:

390.1501 Definitions.

Sec. 1. As used in this act:

- (a) "Department" means the department of education.
- (b) "Immediate family" means the student athlete's spouse, child, parent, stepparent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, first cousin, or the spouse or guardian of any of the persons described in this subdivision.
- (c) "Institution of higher education" means a public or private college or university in this state.
- (d) "Student athlete" means a person who engages in, is eligible to engage in, or may be eligible to engage in any intercollegiate sporting event, contest, exhibition, or program. The term also includes an individual who has applied, is eligible to apply, or who may be eligible to apply in the future to an institution of higher education.

History: 1988, Act 477, Eff. Mar. 30, 1989.

390.1502 Student athlete or immediate family member; giving or promising money or things of value; prohibited purposes; aiding and abetting; "person" defined; violation as misdemeanor; penalty.

Sec. 2. (1) Except as provided in subsection (3), a person shall not give, offer, promise, or attempt to give any money or other thing of value to a student athlete or immediate family member of a student athlete for either of the following purposes:

(a) To induce, encourage, or reward the student athlete's application, enrollment, or attendance at an institution of higher education in order to have the student athlete participate in intercollegiate sporting events, contests, exhibitions, or programs at that institution.

(b) To induce, encourage, or reward the student athlete's participation in an intercollegiate sporting event, contest, exhibition, or program.

(2) A person shall not aid or abet any act described in subsection (1).

(3) As used in subsection (1), "person" does not include any of the following:

(a) An institution of higher education or any of its officers or employees if the institution, officer, or employee is acting in accordance with an official written policy of the institution which is in compliance with rules promulgated by the department.

(b) An intercollegiate athletic award approved or administered by the institution of higher education that the student athlete attends.

(c) An immediate family member of the student athlete.

(4) Except as provided in subsection (3), a person who engages in conduct knowing or having reason to know that the conduct is in violation of this section is guilty of a misdemeanor, punishable by a fine of not more than \$50,000.00, or 3 times the amount given, offered, or promised to the student athlete or immediate family member of the student athlete, whichever is greater, or not more than 1 year imprisonment, or both. The prosecuting attorney of a county where a violation of this section occurs shall enforce this section.

History: 1988, Act 477, Eff. Mar. 30, 1989.

390.1503 Student athlete or immediate family member; soliciting or accepting money or things of value; prohibited purposes; aiding or abetting; applicability of section; violation as misdemeanor; penalty; enforcement.

Sec. 3. (1) Except as provided in subsection (2), a student athlete or member of his or her immediate family, shall not solicit or accept money or anything of value for any of the purposes described in section 2(1). A person shall not aid or abet any act described in this subsection.

(2) This section does not apply to money or other things of value that a student athlete receives from any of the following:

(a) An institution of higher education, its officers, or employees if the institution, officer or employee

offered money or anything of value in accordance with an official written policy of the institution which is in compliance with rules promulgated by the department.

(b) An intercollegiate athletic award approved or administered by that institution.

(c) A member of the immediate family of the student athlete.

(3) Except as provided in subsection (2), a person who engages in conduct knowing or having reason to know that the conduct violates this section is guilty of a misdemeanor punishable by a fine of not more than \$1,000.00 or an amount equal to the amount accepted by the student athlete or immediate family member, whichever is greater. The prosecuting attorney of a county in which the violation occurs shall enforce this section.

History: 1988, Act 477, Eff. Mar. 30, 1989.

390.1504 Rules.

Sec. 4. The department shall promulgate rules to establish standards for the giving and receiving of money and things of value as described in sections 2(1) and 3(1), pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws.

History: 1988, Act 477, Eff. Mar. 30, 1989.

PUBLIC SAFETY OFFICERS
Act 120 of 1990

AN ACT to empower the governing boards of control of public 4-year institutions of higher education to grant certain powers and authority to their public safety officers; to require those public safety officers to meet certain standards; and to require institutions of higher education to make certain crime reports.

History: 1990, Act 120, Eff. Mar. 28, 1991.

The People of the State of Michigan enact:

390.1511 Public safety officers; powers and authority; determination; public safety department oversight committee.

Sec. 1. (1) The governing board of control of a public 4-year institution of higher education created under article VIII of the state constitution of 1963 may grant the public safety officers of the institution the same powers and authority as are granted by law to peace and police officers to enable the public safety officers to enforce state law and the ordinances and regulations of the institution of higher education. Public safety officers to whom the powers and authority of peace and police officers are granted under this section shall be considered peace officers of this state and shall have the authority of police officers provided under the Michigan vehicle code, Act No. 300 of the Public Acts of 1949, being sections 257.1 to 257.923 of the Michigan Compiled Laws.

(2) The determination by a governing board of control of an institution of higher education whether to grant the powers and authority described in subsection (1) to the public safety officers of the institution shall be made only after the governing board of control has held not less than 2 public hearings regarding that determination.

(3) The governing board of control of an institution of higher education shall not grant the powers and authority described in subsection (1) to the public safety officers of the institution unless, before those powers and authority are granted, the governing board provides for the establishment of a public safety department oversight committee. The committee shall be comprised of individuals nominated and elected by the faculty, students, and staff of the institution. The committee shall include 2 students, 2 members of the faculty, and 2 members of the staff. The committee shall receive and address grievances by persons against the public safety officers or the public safety department of the institution. The committee may recommend to the institution that disciplinary measures be taken by the institution against a public safety officer who is found responsible for misconduct in office.

History: 1990, Act 120, Eff. Mar. 28, 1991.

390.1512 Public safety officers; jurisdiction.

Sec. 2. (1) The jurisdiction of public safety officers to whom the powers and authority of peace and police officers are granted under section 1 shall include all property owned or leased by the institution of higher education or the governing board of control, wherever situated in this state, and this jurisdiction shall extend to any public right of way traversing or immediately contiguous to the property. The jurisdiction of these public safety officers may be extended by state law governing peace officers if authorized by the governing board of control.

(2) This act does not limit the jurisdiction of state, county, or municipal peace officers.

History: 1990, Act 120, Eff. Mar. 28, 1991.

390.1513 Public safety officers; minimum employment standards.

Sec. 3. Public safety officers to whom the powers and authority of peace and police officers are granted under section 1 shall meet the minimum employment standards of the Michigan law enforcement officers training council act of 1965, Act No. 203 of the Public Acts of 1965, being sections 28.601 to 28.616 of the Michigan Compiled Laws.

History: 1990, Act 120, Eff. Mar. 28, 1991.

390.1514 Monthly uniform crime report.

Sec. 4. The public safety department of each public 4-year institution of higher education created under article VIII of the state constitution of 1963, whether or not the public safety officers in the public safety department are granted powers and authority under section 1(1), shall submit monthly uniform crime reports pertaining to crimes within the department's jurisdiction to the department of state police as prescribed in section 1 of Act No. 319 of the Public Acts of 1968, being section 28.251 of the Michigan Compiled Laws.

History: 1990, Act 120, Eff. Mar. 28, 1991.

MIDWESTERN HIGHER EDUCATION COMPACT
Act 195 of 1990

AN ACT entering into the midwestern higher education compact; and for related purposes.

History: 1990, Act 195, Imd. Eff. July 25, 1990.

The People of the State of Michigan enact:

390.1531 Midwestern higher education compact.

Sec. 1. The midwestern higher education compact is enacted into law and entered into with all jurisdictions legally joining in the compact, in the form substantially as follows:

MIDWESTERN HIGHER EDUCATION COMPACT

ARTICLE I. PURPOSE

The purpose of the Midwestern Higher Education Compact shall be to provide greater higher education opportunities and services in the Midwestern region, with the aim of furthering regional access to, research in and choice of higher education for the citizens residing in the several states which are parties to this Compact.

ARTICLE II. THE COMMISSION

A. The compacting states hereby create the Midwestern Higher Education Commission, hereinafter called the Commission. The Commission shall be a body corporate of each compacting state. The Commission shall have all the responsibilities, powers and duties set forth herein, including the power to sue and be sued, and such additional powers as may be conferred upon it by subsequent action of the respective legislatures of the compacting states in accordance with the terms of this Compact.

B. The Commission shall consist of five resident members of each state as follows: the governor or the governor's designee who shall serve during the tenure of office of the governor; 2 legislators, one from each house (except Nebraska, which may appoint two legislators from its Unicameral Legislature), who shall serve two-year terms and be appointed by the appropriate appointing authority in each house of the legislature; and two other at-large members, at least one of whom shall be selected from the field of higher education. The at-large members shall be appointed in a manner provided by the laws of the appointing state. One of the two at-large members initially appointed in each state shall serve a two-year term. The other, and any regularly appointed successor to either at-large member, shall serve a four-year term. All vacancies shall be filled in accordance with the laws of the appointing states. Any commissioner appointed to fill a vacancy shall serve until the end of the incomplete term.

C. The Commission shall select annually, from among its members, a chairperson, a vice chairperson and a treasurer.

D. The Commission shall appoint an executive director who shall serve at its pleasure and who shall act as secretary to the Commission. The treasurer, the executive director and such other personnel as the Commission may determine, shall be bonded in such amounts as the Commission may require.

E. The Commission shall meet at least once each calendar year. The chairperson may call additional meetings and, upon the request of a majority of the Commission members of three or more compacting states, shall call additional meetings. Public notice shall be given of all meetings and meetings shall be open to the public.

F. Each compacting state represented at any meeting of the Commission is entitled to one vote. A majority of the compacting states shall constitute a quorum for the transaction of business, unless a larger quorum is required by the bylaws of the Commission.

ARTICLE III. POWERS AND DUTIES OF THE COMMISSION

A. The Commission shall adopt a seal and suitable bylaws governing its management and operations.

B. Irrespective of the civil service, personnel or other merit system laws of any of the compacting states, the Commission in its bylaws shall provide for the personnel policies and programs of the Compact.

C. The Commission shall submit a budget to the governor and legislature of each compacting state at such time and for such period as may be required. The budget shall contain specific recommendations of the amount or amounts to be appropriated by each of the compacting states.

D. The Commission shall report annually to the legislatures and governors of the compacting states, to the Midwestern Governors' Conference and to the Midwestern Legislative Conference of the Council of State Governments concerning the activities of the Commission during the preceding year. Such reports shall also embody any recommendations that may have been adopted by the Commission.

E. The Commission may borrow, accept, or contract for the services of personnel from any state or the United States or any subdivision or agency thereof, from any interstate agency, or from any institution, foundation, person, firm or corporation.

F. The Commission may accept for any of its purposes and functions under the Compact any and all donations, and grants of money, equipment, supplies, materials and services (conditional or otherwise) from any state or the United States or any subdivision or agency thereof, or interstate agency, or from any institution, foundation, person, firm, or corporation, and may receive, utilize and dispose of the same.

G. The Commission may enter into agreements with any other interstate education organizations or agencies and with higher education institutions located in non-member states and with any of the various states of these United States to provide adequate programs and services in higher education for the citizens of the respective compacting states. The Commission shall, after negotiations with interested institutions and interstate organizations or agencies, determine the cost of providing the programs and services in higher education for use of these agreements.

H. The Commission may establish and maintain offices, which shall be located within one or more of the compacting states.

I. The Commission may establish committees and hire staff as it deems necessary for the carrying out of its functions.

J. The Commission may provide for actual and necessary expenses for attendance of its members at official meetings of the Commission or its designated committees.

ARTICLE IV. ACTIVITIES OF THE COMMISSION

A. The Commission shall collect data on the long-range effects of the Compact on higher education. By the end of the fourth year from the effective date of the Compact and every two years thereafter, the Commission shall review its accomplishments and make recommendations to the governors and legislatures of the compacting states on the continuance of the Compact.

B. The Commission shall study issues in higher education of particular concern to the Midwestern region. The Commission shall also study the needs for higher education programs and services in the compacting states and the resources for meeting such needs. The Commission shall from time to time prepare reports on such research for presentation to the governors and legislatures of the compacting states and other interested parties. In conducting such studies, the Commission may confer with any national or regional planning body. The Commission may draft and recommend to the governors and legislatures of the various compacting states suggested legislation dealing with problems of higher education.

C. The Commission shall study the need for provision of adequate programs and services in higher education, such as undergraduate, graduate or professional student exchanges in the region. If a need for exchange in a field is apparent, the Commission may enter into such agreements with any higher education institution and with any of the compacting states to provide programs and services in higher education for the citizens of the respective compacting states. The Commission shall, after negotiations with interested institutions and the compacting states, determine the costs of providing the programs and services in higher education for use in its agreements. The contracting states shall contribute the funds not otherwise provided, as determined by the Commission, for carrying out the agreements. The Commission may also serve as the administrative and fiscal agent in carrying out agreements for higher education programs and services.

D. The Commission shall serve as a clearinghouse on information regarding higher education activities among institutions and agencies.

E. In addition to the activities of the Commission previously noted, the Commission may provide services and research in other areas of regional concern.

ARTICLE V. FINANCE

A. The monies necessary to finance the general operations of the Commission not otherwise provided for in carrying forth its duties, responsibilities and powers as stated herein shall be appropriated to the Commission by the compacting states, when authorized by the respective legislatures by equal apportionment among the compacting states.

B. The Commission shall not incur any obligations of any kind prior to the making of appropriations adequate to meet the same; nor shall the Commission pledge the credit of any of the compacting states, except by and with the authority of the compacting state.

C. The Commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the Commission shall be subject to the audit and accounting procedures established under its bylaws. However, all receipts and disbursements of funds handled by the Commission shall be audited yearly by a certified or licensed public accountant and the report of the audit shall be included in and become part of the annual report of the Commission.

D. The accounts of the Commission shall be open at any reasonable time for inspection by duly authorized representatives of the compacting states and persons authorized by the Commission.

ARTICLE VI. ELIGIBLE PARTIES AND ENTRY INTO FORCE

A. The states of Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota,

Ohio, South Dakota, and Wisconsin shall be eligible to become party to this Compact. Additional states will be eligible if approved by a majority of the compacting states.

B. As to any eligible party state, this Compact shall become effective when its legislature shall have enacted the same into law; provided that it shall not become initially effective until enacted into law by five states prior to the 31st day of December 1995.

C. Amendments to the Compact shall become effective upon their enactment by the legislatures of all compacting states.

ARTICLE VII. WITHDRAWAL, DEFAULT AND TERMINATION

A. Any compacting state may withdraw from this Compact by enacting a statute repealing the Compact, but such withdrawal shall not become effective until two years after the enactment of such statute. A withdrawing state shall be liable for any obligations which it may have incurred on account of its party status up to the effective date of withdrawal, except that if the withdrawing state has specifically undertaken or committed itself to any performance of an obligation extending beyond the effective date of withdrawal, it shall remain liable to the extent of such obligation.

B. If any compacting state shall at any time default in the performance of any of its obligations, assumed or imposed, in accordance with the provisions of this Compact, all rights, privileges and benefits conferred by this Compact or agreements hereunder shall be suspended from the effective date of such default as fixed by the Commission, and the Commission shall stipulate the conditions and maximum time for compliance under which the defaulting state may resume its regular status. Unless such default shall be remedied under the stipulations and within the time period set forth by the Commission, this Compact may be terminated with respect to such defaulting state by affirmative vote of a majority of the other member states. Any such defaulting state may be reinstated by performing all acts and obligations as stipulated by the Commission.

ARTICLE VIII. SEVERABILITY AND CONSTRUCTION

The provisions of this Compact entered into hereunder shall be severable and if any phrase, clause, sentence or provision of this compact is declared to be contrary to the constitution of any compacting state or of the United States or the applicability thereof to any government, agency, person or circumstance is held invalid, the validity of the remainder of this Compact and the applicability thereof to any government, agency, person or circumstance shall not be affected thereby. If this Compact entered into hereunder shall be held contrary to the constitution of any compacting state, the Compact shall remain in full force and effect as to the remaining states and in full force and effect as to the state affected as to all severable matters. The provisions of this Compact entered into pursuant hereto shall be liberally construed to effectuate the purposes thereof.

History: 1990, Act 195, Imd. Eff. July 25, 1990.

390.1532 State's members of midwestern higher education commission; nonvoting member; vacancy.

Sec. 2. (1) The state's members of the midwestern higher education commission created in section 1 shall be all of the following:

- (a) The governor or the governor's designee.
- (b) One member of the senate, appointed by the senate majority leader.
- (c) One member of the house of representatives, appointed by the speaker of the house of representatives.
- (d) Two at-large members, appointed by the governor.

(2) In addition to the state's members listed in subsection (1), the governor shall appoint the designee of the state board of education to serve as a nonvoting member of the state's delegation. This individual is not a member of the midwestern higher education commission and does not have a vote in decisions made by the state's members.

(3) A vacancy in a position in the state's delegation to the midwestern higher education commission shall be filled for the remainder of the unexpired term in the same manner as that specific position was filled under subsection (1).

History: 1990, Act 195, Imd. Eff. July 25, 1990.

COLLEGE AND UNIVERSITY ELECTRONIC TEXTBOOK ACT
Act 197 of 2003

AN ACT to require textbook publishers to provide electronic versions of certain instructional materials used in colleges and universities.

History: 2003, Act 197, Imd. Eff. Nov. 10, 2003.

The People of the State of Michigan enact:

390.1541 Short title.

Sec. 1. This act shall be known and may be cited as the "college and university electronic textbook act".

History: 2003, Act 197, Imd. Eff. Nov. 10, 2003.

390.1542 Definitions.

Sec. 2. As used in this act:

(a) "College or university" means a degree or certificate granting public or private college or university, junior college, or community college located in this state.

(b) "Textbook" includes a text published in electronic media that is used for instructional purposes.

History: 2003, Act 197, Imd. Eff. Nov. 10, 2003.

390.1543 Availability of textbook in electronic version.

Sec. 3. Upon request, a publisher of a textbook that is adopted for instructional use at a college or university shall furnish the college or university with an electronic version of the textbook if the textbook is for a literary subject or, for a textbook for a nonliterary subject, if the technology is available to convert the textbook directly to a format compatible with braille translation software. A publisher shall not charge a price for this electronic version that exceeds the price it charges for the print or electronic media version of the textbook.

History: 2003, Act 197, Imd. Eff. Nov. 10, 2003.

CONFIDENTIAL RESEARCH AND INVESTMENT INFORMATION ACT
Act 55 of 1994

AN ACT to protect from public disclosure certain information obtained in research and related activities of public universities and colleges; to protect from public disclosure certain investment information received by a public university or college from an investment fiduciary or portfolio company; and to prescribe certain duties of public universities and colleges.

History: 1994, Act 55, Imd. Eff. Apr. 5, 1994;—Am. 2004, Act 86, Imd. Eff. Apr. 22, 2004.

The People of the State of Michigan enact:

390.1551 Short title.

Sec. 1. This act shall be known and may be cited as the "confidential research and investment information act".

History: 1994, Act 55, Imd. Eff. Apr. 5, 1994;—Am. 2004, Act 86, Imd. Eff. Apr. 22, 2004.

390.1552 Definitions.

Sec. 2. As used in this act:

(a) "Commercial information" means information regarding the purchase and sale of goods and services, including, but not limited to, information regarding marketing strategy, production data, assessments of goods and services, mineral exploration records, and compilations of data regarding commercial activity.

(b) "Financial information" means information regarding finances, including, but not limited to, assets, income, liabilities, net worth, bank balances, financial history or activities, or creditworthiness.

(c) "Intellectual property" means all original data, findings, or other products of the mind or intellect commonly associated with claims, interests, and rights that are protected under trade secret, patent, trademark, copyright, or unfair competition law.

(d) "Investment" means the utilization of money or other assets in the expectation of future returns in the form of income or capital gain.

(e) "Investment fiduciary" means a person who exercises any discretionary authority or control over an investment of a public university or college or renders investment advice for a public university or college for a fee or other direct or indirect compensation.

(f) "Investment information" means information that has not been publicly disseminated or that is unavailable from other sources, the release of which might cause a portfolio company or an investment fiduciary significant competitive harm. Investment information includes, but is not limited to, financial performance data and projections, financial statements, list of coinvestors and their level of investment, product and market data, rent rolls, and leases.

(g) "Portfolio company" means an entity in which an investment fiduciary has made or considered an investment on behalf of a public university or college.

(h) "Public university or college" means a university, college, or community college established under section 5, 6, or 7 of article VIII of the state constitution of 1963.

(i) "Record" means all or part of a writing, as that term is defined in section 2 of the freedom of information act, 1976 PA 442, MCL 15.232.

(j) "Trade secret" means information consisting of a valuable unpatented formula, pattern, device, or process, or other information that is used in a business and gives the possessor of the information a competitive advantage over those who do not know or use the information, and for which sufficient measures have been taken to guard the secrecy of the information and preserve its confidentiality, and that does not encompass information that is readily ascertainable by competitors or the general public without undue difficulty or hardship.

History: 1994, Act 55, Imd. Eff. Apr. 5, 1994;—Am. 2004, Act 86, Imd. Eff. Apr. 22, 2004.

390.1553 Information provided to public university or college by private external source; exemption from disclosure; conditions; affirmative duty to notify agencies; applicability of subsection (1) to information regarding sold or marketed product or process.

Sec. 3. (1) Except as otherwise provided in this section, trade secrets, commercial information, or financial information, including that information as it relates to computer hardware and software, that is provided to a public university or college by a private external source and that is in the possession of the public university or college in the performance of a lawful function is exempt from disclosure as a public record under the freedom of information act, Act No. 442 of the Public Acts of 1976, being sections 15.231 to 15.246 of the

Michigan Compiled Laws, if all of the following conditions are met:

(a) The information is used exclusively for research, testing, evaluation, and related activities.

(b) The information is clearly designated by the external source before or at the time it is received by the public university or college as being confidential.

(c) The public university or college has entered into an agreement to keep the information confidential, and the confidentiality agreement was authorized by the chief administrative officer of the public university or college, or his or her designee.

(d) A document containing a general description of the information to be received under the confidentiality agreement, the term of the confidentiality agreement, the name of the external source or person with whom the confidentiality agreement was made, and a general description of the nature of the intended use for the information is recorded by the public university or college within 20 regular working days after it is received, is maintained in a central place within the public university or college, and is made available to a person upon request. The description of the information to be received shall be sufficient to provide the public with the necessary information to understand the nature of the research or product involved in the confidentiality agreement.

(2) Subsection (1) does not apply to information that meets both of the following:

(a) Is otherwise publicly available.

(b) Is submitted as required by law or as a condition of receiving a government contract, license, or other benefit.

(3) To the extent that the information indicates a substantial likelihood that a person may be killed or injured by the use of the product or process, a public university or college has an affirmative duty to take reasonable measures to promptly notify appropriate local, state, and federal regulatory agencies of information regarding a product or process that is in the stream of commerce at the time the public university or college receives the information or actively uses the information in its research, and subsection (1) does not apply to the information. The affirmative duty described in this subsection is not intended to and does not create a separate or additional liability or cause of action outside of the remedies provided for in Act No. 442 of the Public Acts of 1976. A provision of a contract between a public university or college and another person that conflicts with this subsection is void for the purposes of this act as a matter of public policy. However, the affirmative duty described in this subsection does not apply to information described in this subsection if 1 or more of the following apply:

(a) There already exists a duty upon the manufacturer, distributor, seller, or owner of the product or process to disclose the information to a regulatory agency and the public university or college does not have actual knowledge that the information has not been disclosed in accordance with that duty.

(b) The hazards of the product or process are obvious to the user or consumer.

(c) The hazards of the product or process are disclosed to the user or consumer in recommendations, warnings, or other instructions supplied to the user or consumer by the manufacturer, distributor, seller, or owner of the product or process.

(4) To the extent that the information and its commercial value are capable of being adequately protected by copyright, patent, or trademark protection and are not encompassed by a pending, unissued patent application, subsection (1) does not apply to information regarding a product or process if the public university or college is selling or marketing the product or process to the general public.

History: 1994, Act 55, Imd. Eff. Apr. 5, 1994.

390.1554 Information in which interest held, or owned, prepared, used, retained by, or in possession of public university or college; exemption from disclosure; applicability of subsection (1) to information regarding sold or marketed product or process; applicability of MCL 390.1553(3).

Sec. 4. (1) Except as otherwise provided in this section, the following information in which a public university or college holds an interest, or that is owned, prepared, used, or retained by, or in the possession of, a public university or college, is exempt from disclosure as a public record under the freedom of information act, Act No. 442 of the Public Acts of 1976, being sections 15.231 to 15.246 of the Michigan Compiled Laws:

(a) Intellectual property created by a person employed by or under contract to a public university or college for purposes that include research, education, and related activities, until a reasonable opportunity is provided for the information to be published in a timely manner in a forum intended to convey the information to the academic community.

(b) Original works of authorship fixed in any tangible medium of expression created by a person employed by or under contract to a public university or college for purposes that include research, education, or related activities, until a reasonable opportunity is provided for the author to secure copyright registration, not to

exceed 12 months from the date the work is first fixed in a tangible medium of expression.

(c) Records regarding a process, a machine, an item of manufacture, or a composition of matter, or any new and useful improvement of a process, a machine, an item of manufacture, or a composition of matter, until a reasonable opportunity is provided for the inventor to secure patent protection, not to exceed 5 years from the date the records are first made.

(d) Trade secrets or other proprietary information in which a public university or college holds an interest or that a public university or college owns that is determined by the public university or college to have potential commercial value, if a general description of the nature of the information and a description of the extent of the interest held by the public university or college in the information is made available to a person upon request.

(2) To the extent that the information and its commercial value are capable of being adequately protected by copyright, patent, or trademark protection and are not encompassed by a pending, unissued patent application, subsection (1) does not apply to information regarding a product or process if the public university or college is selling or marketing the product or process to the general public.

(3) Section 3(3) applies to information described in this section that is provided by a private external source.

History: 1994, Act 55, Imd. Eff. Apr. 5, 1994.

390.1554a Records received, prepared, used, or retained by investment fiduciary; confidentiality.

Sec. 4a. (1) Subject to subsection (2), a record received, prepared, used, or retained by an investment fiduciary in connection with an investment or potential investment of a public university or college that relates to investment information pertaining to a portfolio company in which the investment fiduciary has invested or has considered an investment that is considered by the portfolio company and acknowledged by the investment fiduciary as confidential, or that relates to investment information whether prepared by or for the investment fiduciary regarding loans and assets directly owned by the investment fiduciary and acknowledged by the investment fiduciary as confidential, is exempt from the disclosure requirements of the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246, if at least annually the public university or college provides to its governing board, and makes available to the public, a report of its investments that includes all of the following:

(a) The name of each portfolio company in which the public university or college invested during the reporting period.

(b) The aggregate amount of money invested by the public university or college in portfolio companies during the reporting period.

(c) The rate of return realized during the reporting period on the investments of the public university or college in portfolio companies.

(d) The source of any public funds invested by the public university or college in portfolio companies during the reporting period.

(2) If a record described in subsection (1) is an agreement or instrument to which an investment fiduciary is a party, only those parts of the record that contain investment information are exempt from the disclosure requirements of the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

History: Add. 2004, Act 86, Imd. Eff. Apr. 22, 2004.

390.1555 Ability to engage in independent projects not limited.

Sec. 5. This act does not limit the ability of a person employed by or under contract to a public university or college to engage in lawful projects independent of a public university or college, or prohibit such a person from disclosing information regarding those independent projects or from receiving pecuniary income from those independent projects.

History: 1994, Act 55, Imd. Eff. Apr. 5, 1994.

390.1556 Construction of certain provisions of act.

Sec. 6. The provisions of this act exempting information from disclosure shall be strictly construed.

History: 1994, Act 55, Imd. Eff. Apr. 5, 1994.

390.1557 Response to request for information; procedures.

Sec. 7. A person receiving a request under the freedom of information act, Act No. 442 of the Public Acts of 1976, being sections 15.231 to 15.246 of the Michigan Compiled Laws, for information exempt from disclosure under this act shall comply with the procedures and requirements of Act No. 442 of the Public Acts

of 1976 in responding to the request and shall also provide to the person making the request a general written description of the information and a written explanation of the reason the request has been denied.

History: 1994, Act 55, Imd. Eff. Apr. 5, 1994.

CAREER DEVELOPMENT AND DISTANCE LEARNING ACT
Act 36 of 2002

AN ACT to provide for the formation, regulation, and registration of distance learning corporations; to prescribe their duties, rights, powers, immunities, and liabilities; and to provide for the powers and duties of certain state officers and entities.

History: 2002, Act 36, Imd. Eff. Mar. 7, 2002.

The People of the State of Michigan enact:

390.1571 Short title.

Sec. 1. This act shall be known and may be cited as the "career development and distance learning act".

History: 2002, Act 36, Imd. Eff. Mar. 7, 2002.

Compiler's note: For transfer of powers and duties of the director of the department of career development to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

390.1572 Definitions.

Sec. 2. As used in this act:

(a) "Administrator" means that term as defined in section 105 of the nonprofit act, MCL 450.2105.

(b) "Community college" means a community college organized under the community college act of 1966, 1966 PA 331, MCL 389.1 to 389.195, or a federal tribally controlled community college that is recognized under the tribally controlled community college assistance act of 1978, Public Law 95-471, and is determined by the department of education to meet the requirements for accreditation by a recognized regional accrediting body.

(c) "Director" means the director of the department of career development or his or her designee.

(d) "Nonprofit act" means the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192.

(e) "Public school" means a local school district, a local act school district, a public school academy, a university school, or an intermediate school district established under the revised school code, 1976 PA 451, MCL 380.1 to 380.1852.

(f) "Registered distance learning corporation" means a distance learning corporation incorporated under the nonprofit act and registered under this act.

(g) "State public university" means a university described in section 4, 5, or 6 of article VIII of the state constitution of 1963.

History: 2002, Act 36, Imd. Eff. Mar. 7, 2002.

Compiler's note: For transfer of powers and duties of the director of the department of career development to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

390.1573 Registered distance learning corporation; laws applicable to nonprofit corporations; tax exemption; registration.

Sec. 3. (1) A registered distance learning corporation is subject to the laws of this state applicable to nonprofit corporations, except as provided in this act.

(2) A registered distance learning corporation is a charitable and benevolent institution, and its funds and property are exempt from taxation by this state or any political subdivision of this state.

(3) A corporation shall not act as a registered distance learning corporation except as authorized by and pursuant to a registration issued by the director under this act.

History: 2002, Act 36, Imd. Eff. Mar. 7, 2002.

Compiler's note: For transfer of powers and duties of the director of the department of career development to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

390.1574 Articles of incorporation.

Sec. 4. (1) The articles of incorporation of a registered distance learning corporation shall contain all of the following:

(a) The purposes of the corporation, which shall include at least all of the following:

(i) To help promote the use of education technology to accelerate career and workforce development by improving the learning environment, stimulating innovative teaching methods, achieving accountability, and providing residents of this state with greater technology-based educational choices.

(ii) To promote technology-based education and training to public and private sector organizations, including, but not limited to, alternative models of education that emphasize partnerships between public education and the business sector.

(iii) To provide technology-based services that will enable distance learning education and training to flourish and prosper, including, but not limited to, providing selected industries with business and financial operations, human resource administration, resource development, research, marketing, technology coordination, digital library support, faculty training and development, and other student and academic support operations.

(iv) To support and encourage various collaborative efforts among educational institutions, businesses, nonprofit organizations, and government agencies to meet the training and educational needs of the state's workforce.

(v) To establish, acquire, or participate in or with other persons that further the purposes of the registered distance learning corporation.

(b) A provision that the board shall include 4 members who are appointed as follows:

(i) Two board members appointed by the governor with the advice and consent of the senate.

(ii) One board member appointed by the governor from a list of 5 names submitted by the majority leader of the senate.

(iii) One board member appointed by the governor from a list of 5 names submitted by the speaker of the house of representatives.

(c) A provision that the board of directors shall consist of the following individuals:

(i) The 4 appointed board members described in subdivision (b).

(ii) At least 1 board member representing state public universities.

(iii) At least 1 board member representing community colleges.

(iv) At least 1 board member representing public schools.

(v) At least 1 board member representing independent nonprofit degree-granting colleges and universities located in this state.

(vi) At least 5 board members representing the private sector.

(d) A provision that the corporation is not an educational corporation for purposes of sections 170 to 177 of 1931 PA 327, MCL 450.170 to 450.177.

(2) A corporation applying for registration as a registered distance learning corporation shall submit its articles of incorporation and any amendments to its articles of incorporation or restated articles of incorporation to the attorney general for examination. The attorney general shall review the articles or amendments within 60 days, and if the attorney general finds that the articles or amendments comply with this act, the attorney general shall certify this finding to the director.

(3) In addition to any fee required in the nonprofit act, a corporation applying for registration as a registered distance learning corporation shall pay the following fees, which shall be deposited in the state treasury:

(a) A fee of \$100.00 to the attorney general for the examination described in subsection (2).

(b) A fee of \$500.00 to the director for the examination and registration described in section 5.

History: 2002, Act 36, Imd. Eff. Mar. 7, 2002.

Compiler's note: For transfer of powers and duties of the director of the department of career development to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

390.1575 Registration; requirements.

Sec. 5. (1) To apply for registration as a registered distance learning corporation, a corporation shall file all of the following with the director:

(a) A copy of the articles of incorporation of the corporation, certified by the administrator.

(b) The certificate of the attorney general required under section 4(2). This requirement is waived if the corporation submitted the articles of incorporation under section 4(2) and the attorney general does not act under section 4(2) to certify the articles within 60 days.

(c) A general plan of the proposed activities of the corporation.

(d) A copy of the financial statements of the corporation.

(e) A copy of the bylaws of the corporation.

(2) The director shall examine the documents filed under subsection (1), may conduct any investigation which he or she considers necessary, may request additional oral and written information from the corporation, and may examine under oath any persons interested in or connected with the distance learning corporation seeking registration.

(3) The director shall register a corporation as a registered distance learning corporation if all of the following are met:

(a) The documents filed under subsection (1) are in proper form.

(b) The articles of incorporation of the corporation contain the provisions required under section 4.

(c) The corporation has been in existence for distance learning purposes for 3 years or more at the time it applies for registration.

(d) The internal revenue service has determined that the corporation is exempt from taxation under section 501(c)(3) of the internal revenue code of 1986.

(4) If the director registers a corporation as a registered distance learning corporation under subsection (3), the director shall do both of the following:

(a) Return to the corporation 1 copy of the articles of incorporation, certified that the corporation is a registered distance learning corporation.

(b) Deliver to the administrator a certificate that the corporation is a registered distance learning corporation.

History: 2002, Act 36, Imd. Eff. Mar. 7, 2002.

Compiler's note: For transfer of powers and duties of the director of the department of career development to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

390.1576 Acquiring, holding, and disposing funds and property.

Sec. 6. A registered distance learning corporation shall acquire, hold, and dispose of its funds and property only for the lawful purposes of the corporation and for the benefit of the public. A registered distance learning corporation shall conduct its activities, including acquiring, holding, and disposing of funds and property, in a manner within the scope of the purposes of the corporation as specifically set forth in its articles and consistent with this act.

History: 2002, Act 36, Imd. Eff. Mar. 7, 2002.

Compiler's note: For transfer of powers and duties of the director of the department of career development to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

390.1577 Registered distance learning corporation; powers.

Sec. 7. (1) Subject to the limits contained in this act, the nonprofit act, any other law of this state, or in its articles of incorporation, a registered distance learning corporation may do any act consistent with 1 or more of the purposes of the corporation, including, but not limited to, 1 or more of the following:

(a) Engage in experimental distance learning projects.

(b) Provide training and distance learning services and professional development programs to government employees.

(c) Accept gifts, grants, appropriations, donations, fees for services, royalties, or other payments or property from any source.

(d) In administering any publicly supported distance learning plan, contract or subcontract with any organization that administers or furnishes distance learning services to any federal, state, or local government, agency, or political subdivision.

(e) Make grants for the public welfare.

(f) Participate with any other public or private entity in any transaction the corporation has the power to conduct by itself.

(g) Obtain, hold, and dispose of patents, trademarks, copyrights, or other intellectual property rights in any invention, idea, good, service, or other tangible or intangible property subject to protection under any applicable intellectual property law, including, but not limited to, property created or developed by an employee of or a person under contract with the corporation.

(h) Offer educators opportunities to learn new knowledge, skills, and strategies for developing and delivering instructional services.

(i) Grant credits, degrees, or high school diplomas only through dual enrollment programs with educational institutions that are authorized to grant credits, degrees, or high school diplomas in this state.

(2) If an act of a registered distance learning corporation is otherwise legal, it is not invalid because the corporation was without capacity or power to do the act. However, the lack of capacity or power may be asserted in any of the following actions:

(a) An action by a board member against the corporation to enjoin an act.

(b) An action by or in the right of the corporation to procure a judgment in its favor against an incumbent or former officer or board member of the corporation for loss or damage due to an unauthorized act of that officer or board member.

(c) An action or special proceeding by the attorney general to enjoin the corporation from the transacting of unauthorized business, to set aside an unauthorized transaction, or to obtain other equitable relief.

(3) A registered distance learning corporation is not and shall not act in this state as a public school or postsecondary degree-granting institution and shall not independently grant degrees or high school diplomas.

History: 2002, Act 36, Imd. Eff. Mar. 7, 2002.

Compiler's note: For transfer of powers and duties of the director of the department of career development to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

390.1578 Complaint alleging violation of act; hearing; determination; cease and desist order; actions.

Sec. 8. (1) If a sworn complaint alleging a violation of this act by a registered distance learning corporation is filed with the director, the director may hold a hearing to consider the alleged violation of this act.

(2) If the director after a hearing determines that the registered distance learning corporation is violating or has violated this act, the director shall reduce his or her findings and decision to writing and shall issue and serve upon the corporation a copy of the findings and an order requiring the corporation to cease and desist from engaging in the prohibited activity.

(3) If a registered distance learning corporation violates a cease and desist order of the director issued under subsection (2), the director after notice and an opportunity for a hearing may by order revoke the registration of the corporation under this act. However, if the corporation shows by a preponderance of the evidence that the prohibited activity described in the cease and desist order resulted from a bona fide error that violated a policy or procedure of the corporation intended to prevent that error, the director shall not revoke the registration but may require that the corporation take specified remedial action. The corporation shall comply with any remedial action that the director requires.

(4) After notice and an opportunity for hearing, the director at any time may by order reopen and alter, modify, or set aside, all or part of an order issued by him or her under this section, if in his or her opinion conditions of fact or of law have so changed as to require that action or if the public interest requires that action.

History: 2002, Act 36, Imd. Eff. Mar. 7, 2002.

Compiler's note: For transfer of powers and duties of the director of the department of career development to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

390.1579 Confidentiality of information.

Sec. 9. (1) To ensure the confidentiality of records containing personal data associated with identifiable individuals, a registered distance learning corporation shall use reasonable care to secure these records from unauthorized access and to collect only personal data that is necessary for the proper operation of the corporation.

(2) A registered distance learning corporation shall adopt appropriate practices and procedures concerning confidential information in compliance with applicable law.

(3) A registered distance learning corporation may enter into agreements with public and private persons to protect trade secrets, tests and test scores, proprietary information, and other information the disclosure of which would jeopardize the privacy or property rights of another person. Information subject to an agreement under this subsection in the possession of a public body is not subject to disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

History: 2002, Act 36, Imd. Eff. Mar. 7, 2002.

Compiler's note: For transfer of powers and duties of the director of the department of career development to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

PREGNANT AND PARENTING STUDENT SERVICES ACT
Act 500 of 2004

AN ACT to create the pregnant and parenting student services fund; to provide grants to encourage certain institutions of higher education to establish and operate a pregnant and parenting student services office for pregnant and parenting students attending the institution; to prescribe the powers and duties of a pregnant and parenting student services office; and to prescribe the powers and duties of certain state departments.

History: 2004, Act 500, Eff. Mar. 30, 2005.

The People of the State of Michigan enact:

390.1591 Short title.

Sec. 1. This act shall be known and may be cited as the "pregnant and parenting student services act".

History: 2004, Act 500, Eff. Mar. 30, 2005.

390.1592 Definitions.

Sec. 2. As used in this act:

- (a) "Department" means the department of community health.
- (b) "Fund" means the pregnant and parenting student services fund created in section 3.
- (c) "Institution of higher education" means a degree or certificate granting public or private college or university, junior college, or community college in this state.
- (d) "Office" means a pregnant and parenting student services office established and operated by an institution of higher education and described in section 5.

History: 2004, Act 500, Eff. Mar. 30, 2005.

390.1593 Pregnant and parenting services fund; establishment; funding sources; interest and earnings; investment; disbursements.

Sec. 3. (1) The pregnant and parenting student services fund is established in the department of treasury. The fund shall consist of money allocated, donated, or paid to the fund from any source and interest and earnings from fund investments.

(2) The state treasurer shall direct the investment of the fund.

(3) Money in the fund at the close of a fiscal year shall remain in the fund and shall not revert to the general fund.

(4) Money in the fund shall be disbursed for grants under this act and the administrative costs of the department and the department of treasury in implementing and administering this act.

(5) The state treasurer shall make a grant from the fund to an institution of higher education upon receipt of a written notice from the department under section 4.

History: 2004, Act 500, Eff. Mar. 30, 2005.

390.1594 Grant eligibility; limitation; notice to state treasurer.

Sec. 4. (1) An institution of higher education that has established and operates or agrees to establish and operate an office that meets the requirements of section 5 is eligible for and may receive a grant under subsection (2). The department may establish the form or format of the grant application, and the department may require that an institution of higher education provide additional information after the department has reviewed its grant application.

(2) The department may award a grant to 1 or more institutions of higher education eligible under subsection (1), but the department shall not award more than 4 grants, for pilot programs, during the first year after the effective date of this act. The department shall determine which, and how many, eligible institutions of higher education shall receive a grant to establish and operate an office.

(3) If the department awards a grant under this section, it shall provide a written notice to the state treasurer that contains the name of the institution of higher education receiving the grant and the amount of the grant and requests payment of the grant amount from the fund.

History: 2004, Act 500, Eff. Mar. 30, 2005.

390.1595 Establishment and operation of office; criteria and standards; report.

Sec. 5. (1) An institution of higher education may establish and operate a pregnant and parenting student services office. An office shall meet all of the following:

- (a) Be located on the campus of the institution of higher education.

(b) Annually assess the performance of the institution and the office in meeting the following needs of students on campus who are pregnant or who are a custodial parent or legal guardian of a minor:

(i) Comprehensive student health care.

(ii) Family housing.

(iii) Child care.

(iv) Flexible or alternative academic scheduling.

(v) Education concerning responsible parenting for mothers and fathers.

(c) Identify public and private service providers qualified to meet the needs described in subdivision (b), both on campus and within the local community, and establish programs with qualified providers it selects to meet those needs.

(d) Assist students in locating and obtaining services that meet 1 or more of the needs described in subdivision (b).

(e) If appropriate, provide referrals on prenatal care and delivery, infant or foster care, or adoption, and on family planning, to individual students who request that information.

(f) By the date determined by the department, provide the department with an annual report that itemizes the office's expenditures during the preceding fiscal year and contains a review and evaluation of the performance of the office in fulfilling its obligations under this subsection.

(2) The department shall identify specific performance criteria and standards that the office shall use in preparing the annual report required under subsection (1). The department may establish the form or format of the report. The department may require that an office provide additional information after it has reviewed the report.

History: 2004, Act 500, Eff. Mar. 30, 2005;—Am. 2023, Act 207, Eff. Feb. 13, 2024.

390.1596 Rules.

Sec. 6. The department may promulgate rules pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, to implement and administer this act.

History: 2004, Act 500, Eff. Mar. 30, 2005.

AUTHENTIC CREDENTIALS IN EDUCATION ACT
Act 100 of 2005

AN ACT to prohibit the issuance or manufacture of false academic credentials; and to provide remedies.

History: 2005, Act 100, Imd. Eff. July 22, 2005.

The People of the State of Michigan enact:

390.1601 Short title.

Sec. 1. This act shall be known and may be cited as the "authentic credentials in education act".

History: 2005, Act 100, Imd. Eff. July 22, 2005.

390.1602 Definitions.

Sec. 2. As used in this act:

(a) "Academic credential" means a degree or a diploma, transcript, educational or completion certificate, or similar document that indicates completion of a program of study or instruction or completion of 1 or more courses at an institution of higher education or the grant of an associate, bachelor, master, or doctoral degree.

(b) "False academic credential" means an academic credential issued or manufactured by a person that is not a qualified institution.

(c) "Qualified institution" means any of the following:

(i) An institution of higher education, as that term is defined in 20 USC 1001, located in the United States.

(ii) Any other institution of higher education authorized to do business in this state.

History: 2005, Act 100, Imd. Eff. July 22, 2005.

390.1603 False academic credential; issuance or manufacture prohibited.

Sec. 3. A person shall not knowingly issue or manufacture a false academic credential in this state.

History: 2005, Act 100, Imd. Eff. July 22, 2005.

390.1604 False academic credential; use prohibited.

Sec. 4. (1) An individual shall not knowingly use a false academic credential to obtain employment; to obtain a promotion or higher compensation in employment; to obtain admission to a qualified institution; or in connection with any loan, business, trade, profession, or occupation.

(2) An individual who does not have an academic credential shall not knowingly use or claim to have that academic credential to obtain employment or a promotion or higher compensation in employment; to obtain admission to a qualified institution; or in connection with any loan, business, trade, profession, or occupation.

History: 2005, Act 100, Imd. Eff. July 22, 2005.

390.1605 Violation; civil action; damages.

Sec. 5. A person damaged by a violation of this act may bring a civil action and may recover costs, reasonable attorney fees, and the greater of either the person's actual damages or \$100,000.00.

History: 2005, Act 100, Imd. Eff. July 22, 2005.

MICHIGAN PROMISE GRANT ACT
Act 479 of 2006

AN ACT to provide for the administration of the Michigan promise grant program; to provide for the powers and duties of certain state officers and entities; and to repeal acts and parts of acts.

History: 2006, Act 479, Imd. Eff. Dec. 21, 2006.

The People of the State of Michigan enact:

390.1621 Short title.

Sec. 1. This act shall be known and may be cited as the "Michigan promise grant act".

History: 2006, Act 479, Imd. Eff. Dec. 21, 2006.

390.1622 Definitions.

Sec. 2. As used in this act:

(a) "Academic year" means the period from September 1 of a calendar year to August 31 of the next calendar year.

(b) "Approved postsecondary educational institution" means any of the following:

(i) A public or private college or university, junior college, or community college that grants degrees or certificates and is located in this state.

(ii) A postsecondary educational institution, other than an educational institution described in subparagraph (i), that is located in this state, grants degrees, certificates, or other recognized credentials, and is designated by the department as an approved postsecondary educational institution.

(iii) A service academy.

(c) "Clock hour" means a time period consisting of any of the following:

(i) Fifty to 60 minutes of class, lecture, or recitation in a 60-minute period.

(ii) Fifty to 60 minutes of faculty-supervised laboratory work, shop training, or internship in a 60-minute period.

(iii) Sixty minutes of preparation in a correspondence course.

(d) "Cumulative grade point average" means the weighted mean value of the courses considered by an approved postsecondary educational institution in determining whether to award a student an associate's degree or a 2-year certificate of completion in a vocational training program, whether the student has completed a comparable vocational education program, or whether the student has completed 50% or more of the academic requirements for the award of a bachelor's degree, including any courses completed at another approved postsecondary educational institution if the student transfers the credits for those courses to the approved postsecondary educational institution making that determination.

(e) "Department" means the department of treasury.

(f) "Fiscal year" means a fiscal year of this state. A fiscal year begins on October 1 of a calendar year and ends on September 30 of the next calendar year.

(g) "High school graduate" means an individual who has received a high school diploma from a high school or passed the general educational development (GED) diploma test or any other high school graduate equivalency examination approved by the state board of education.

(h) "Michigan promise grant" means a grant awarded by the department under this act.

(i) "Qualifying score" means a score in a reading, writing, mathematics, science, or social studies component of a state assessment test that has been determined by the superintendent of public instruction to indicate readiness to enroll in a course in that subject area in an approved postsecondary educational institution.

(j) "Service academy" means the United States military academy, United States naval academy, United States air force academy, United States coast guard academy, or United States merchant marine academy.

(k) "State assessment test" means any of the following:

(i) Subject to subparagraph (ii), the complete Michigan merit examination described in section 1279g of the revised school code, 1976 PA 451, MCL 380.1279g, and section 104b of the state school aid act of 1979, 1979 PA 94, MCL 388.1704b.

(ii) For a student who has previously taken the complete Michigan merit examination, the college examination component of the Michigan merit examination, as described in section 1279g(2)(a) of the revised school code, 1976 PA 451, MCL 380.1279g, and section 104b(2)(a) of the state school aid act of 1979, 1979 PA 94, MCL 388.1704b.

(iii) Any other test administered by the department of education to students in grades 11 and 12 to assure

state compliance with the federal no child left behind act of 2001, Public Law 107-110.

(l) "Trust fund" means the Michigan merit award trust fund established in section 9 of the Michigan trust fund act, 2000 PA 489, MCL 12.259.

History: 2006, Act 479, Imd. Eff. Dec. 21, 2006;—Am. 2007, Act 42, Imd. Eff. July 13, 2007;—Am. 2008, Act 350, Imd. Eff. Dec. 23, 2008;—Am. 2008, Act 517, Imd. Eff. Jan. 13, 2009.

390.1623 Report to governor and legislative standing committees; contents.

Sec. 3. By April 1 of each year, the department shall submit a report on its activities under this act to the governor and to the standing committees of the senate and house of representatives with primary jurisdiction over higher education issues. The report shall contain all of the following information:

(a) The number of Michigan promise grants and the amount of Michigan promise grant money paid by the department in the immediately preceding fiscal year.

(b) A list of the number of Michigan promise grants and the amount of Michigan promise grant money paid in the immediately preceding fiscal year at each approved postsecondary educational institution.

History: 2006, Act 479, Imd. Eff. Dec. 21, 2006.

390.1624 Michigan promise grant program; establishment; eligibility requirements.

Sec. 4. (1) The Michigan promise grant program is established. The department shall provide Michigan promise grants under this act from the trust fund and administer the Michigan promise grant program.

(2) Subject to subsection (3), each student who becomes a high school graduate in or after the 2006-2007 academic year is eligible for the award of a Michigan promise grant in an amount determined under section 5 or 6.

(3) In addition to the requirements set forth in subsection (2), the department must find that a student meets all of the following eligibility requirements to award the student a Michigan promise grant under this act:

(a) The department has received a completed application for payment as described in section 7(1), including the certification described in section 7(2) or (3), if applicable, on or before November 15 of the state fiscal year in which they are eligible to receive payment.

(b) The student is a high school graduate and a resident of this state.

(c) The student meets 1 of the following:

(i) For a grant under section 5, the student was awarded an associate's degree or a 2-year certificate of completion in a vocational training program at an approved postsecondary educational institution, completed a comparable vocational education program approved by the department at an approved postsecondary educational institution, or completed 50% or more of the academic requirements for the award of a bachelor's degree at an approved postsecondary educational institution within 4 years of his or her initial enrollment in an approved postsecondary educational institution and meets 1 of the following:

(A) Has a cumulative grade point average of at least 2.5.

(B) If the student completed a vocational education program that does not record grades or grade point averages for its students, has successfully completed that program.

(ii) For a grant under section 6, the student received a qualifying score in each of the reading, writing, mathematics, science, and social studies components of the state assessment test, and for each student who becomes a high school graduate in or after the 2010-2011 academic year, successfully completes at least 3 credits in mathematics and 3 credits in social science as described in section 1278a(1)(a) of the revised school code, 1976 PA 451, MCL 380.1278a, and 3 credits in science as described in section 1278b(1)(b) of the revised school code, 1976 PA 451, MCL 380.1278b.

(d) The student took the state assessment test.

(e) The student enrolled in an approved postsecondary educational institution within 2 years after he or she became a high school graduate. The department shall extend the 2-year period if the student becomes a member of the United States armed forces or peace corps during the 2-year period.

(f) The student did not previously receive a grant under this act or scholarship money under the Michigan merit award scholarship act, 1999 PA 94, MCL 390.1451 to 390.1459.

(g) The student meets any additional eligibility requirements established by the department.

History: 2006, Act 479, Imd. Eff. Dec. 21, 2006;—Am. 2007, Act 42, Imd. Eff. July 13, 2007;—Am. 2008, Act 517, Imd. Eff. Jan. 13, 2009.

390.1625 Grant amount; prorated amount; adjustment.

Sec. 5. (1) Subject to proration under subsection (2) and adjustment under subsection (3), a student who meets the eligibility requirement of section 4(3)(c)(i) and the other applicable eligibility requirements under section 4 shall receive a Michigan promise grant in the amount of \$4,000.00.

(2) If a student satisfies the eligibility requirement contained in section 4(3)(c) by completing a vocational training program that as determined by the department generally requires less than 2 years or fewer than 1,800 clock hours, as applicable, to complete, the student shall receive a prorated amount of the amount described in subsection (1) that reflects the number of clock hours necessary to complete the program, as determined by the department.

(3) If in any fiscal year the department determines that the amount appropriated by the legislature for the payment of Michigan promise grants is not sufficient to pay each eligible student the Michigan promise grant amount required under this section for an academic year, the department shall adjust the amount of Michigan promise grants paid under this section by prorating the amounts as necessary to reflect the available resources and amounts appropriated in that fiscal year. The department shall notify the governor, the speaker of the house of representatives, and the majority leader of the senate in writing at least 30 days before implementing a proration under this subsection.

History: 2006, Act 479, Imd. Eff. Dec. 21, 2006.

390.1626 Payments; installments; adjustment.

Sec. 6. (1) Subject to proration under subsection (3) and adjustment under subsection (4), a student who meets the eligibility requirement of section 4(3)(c)(ii) and the other applicable eligibility requirements under section 4 and this section shall receive a Michigan promise grant in the amount of \$4,000.00.

(2) Except for a student who is enrolled in a program described in subsection (3), the department shall pay a grant under subsection (1) as follows:

(a) One thousand dollars paid in the student's first academic year of enrollment at an approved postsecondary educational institution.

(b) One thousand dollars paid in the student's second academic year of enrollment at an approved postsecondary educational institution.

(c) The remainder of the amount of the grant after completion of 2 academic years of enrollment at an approved postsecondary educational institution. However, the student is not eligible for this installment, and forfeits any remaining grant amount to which he or she is otherwise entitled under this act, unless the student earned an associate's degree, earned a 2-year certificate of completion in a vocational education program, completed a comparable vocational training program approved by the department, or completed 50% or more of the academic requirements for the award of a bachelor's degree at an approved postsecondary educational institution within 4 years of his or her initial enrollment in that institution and meets 1 of the following:

(i) Has a cumulative grade point average of at least 2.5.

(ii) If the student completed a vocational education program that does not record grades or grade point averages for its students, has successfully completed that program.

(3) Subject to adjustment under subsection (4), a student who meets the eligibility requirement of section 4(3)(c)(ii) and the other applicable eligibility requirements under section 4 and this section, and who is enrolled in a vocational training program that as determined by the department generally requires less than 2 years or fewer than 1,800 clock hours, as applicable, to complete, shall receive a prorated amount of the amount described in subsection (1) determined by the department to reflect the number of clock hours necessary to complete the program.

(4) If in any fiscal year the department determines that the amount appropriated by the legislature for the payment of Michigan promise grants under this act is not sufficient to pay each eligible student the amount required under this section for the academic year, the department shall adjust the Michigan promise grant amounts paid under this section by prorating the amounts as necessary to reflect the available resources and amounts appropriated in that fiscal year. The department shall notify the governor, the speaker of the house of representatives, and the majority leader of the senate in writing at least 30 days before implementing a proration under this subsection.

History: 2006, Act 479, Imd. Eff. Dec. 21, 2006.

390.1627 Application; manner and form; certification; effect of grant on eligibility for financial aid.

Sec. 7. (1) The department shall determine the manner and form of application to receive a Michigan promise grant under section 5 or a grant installment under section 6.

(2) A student shall include a written certification to the department in his or her application to receive a Michigan promise grant under section 5 that contains both of the following:

(a) His or her certification that he or she was awarded an associate's degree or a 2-year certificate of completion in a vocational education program, completed a comparable vocational training program approved by the department, or completed 50% or more of the academic requirements in a bachelor's degree program at

an approved postsecondary educational institution.

(b) The name of the approved postsecondary educational institution at which the student was awarded the associate's degree or 2-year certificate of completion in a vocational education program, completed the comparable vocational training program approved by the department, or completed 50% or more of the academic requirements in a bachelor's degree program and the name of any other approved postsecondary educational institution the student attended if credits from that institution were transferred to and considered by the approved postsecondary educational institution in determining whether to award the student the associate's degree or 2-year certificate of completion in a vocational training program, whether the student had completed a comparable vocational education program, or whether the student had completed 50% or more of the academic requirements for the award of a bachelor's degree.

(3) A student shall include a written certification to the department in his or her application to receive a Michigan promise grant installment payment under section 6 that contains both of the following:

(a) His or her certification that he or she meets the requirements of section 4(3)(c)(ii).

(b) His or her certification that he or she is enrolled in an approved postsecondary educational institution and the name of the approved postsecondary educational institution.

(4) An approved postsecondary educational institution shall not consider a Michigan promise grant in determining a student's eligibility for a financial aid program administered by this state. It is the intent of the legislature that an approved postsecondary educational institution does not reduce other institutionally funded student aid for which a student is eligible because of the student's receipt of or eligibility for a Michigan promise grant.

History: 2006, Act 479, Imd. Eff. Dec. 21, 2006.

390.1628 Disbursements to approved postsecondary institution; application of money to student's outstanding indebtedness and remaining balance; rules.

Sec. 8. (1) The department shall disburse Michigan promise grant money to an approved postsecondary institution on the student's behalf in the following state fiscal years, according to a payment procedure established by the department:

(a) For a Michigan promise grant under section 5 or a Michigan promise grant installment under section 6(2)(c), in the state fiscal year that begins on the first October 1 following the end of the academic year in which the student is eligible for that grant or installment.

(b) For a Michigan promise grant installment under section 6(2)(a) or (b) or a Michigan promise grant under section 6(3), in the state fiscal year that begins on October 1 in the academic year in which the student is eligible for that installment or grant.

(2) An approved postsecondary educational institution shall apply money received under subsection (1) on a student's behalf to the student's outstanding indebtedness, if any, and pay the remaining balance as follows:

(a) Unless subdivision (b) applies, to the student.

(b) If the money received by the institution under this subsection is a grant installment under section 6(2)(a) or (b) and the student elects to leave an approved postsecondary educational institution without completing the classes in which he or she enrolled, to the department. The student has no further right to any money returned to the department under this subdivision.

(3) Subsection (2) shall not be considered as creating an obligation on the part of an approved postsecondary educational institution to loan or advance money to a student for the payment of tuition, fees, or other costs or expenses incurred by the student at that institution.

(4) The department may promulgate rules to implement and administer this act, including, but not limited to, 1 or more of the following:

(a) Rules establishing the department's administrative procedures for the Michigan promise grant program.

(b) Rules governing the qualification requirements for or the award of Michigan promise grants under this act.

(c) Rules establishing an appeals process from a determination of ineligibility for a Michigan promise grant.

(d) Rules establishing what information or reports a student or an approved postsecondary educational institution must provide to establish eligibility and when that information or those reports must be provided.

(e) Rules prescribing the reports to be made by a student awarded a Michigan promise grant and by an approved postsecondary educational institution to which a Michigan promise grant is paid.

History: 2006, Act 479, Imd. Eff. Dec. 21, 2006;—Am. 2007, Act 42, Imd. Eff. July 13, 2007.

MICHIGAN PROMISE ZONE ACT

Act 550 of 2008

390.1641-390.1649 Repealed. 2016, Act 9, Imd. Eff. Feb. 16, 2016.

MICHIGAN PROMISE ZONE AUTHORITY ACT
Act 549 of 2008

AN ACT to authorize the creation of promise zones; to authorize the creation of promise zone authorities and the implementation of promise zone development plans; to prescribe the powers and duties of promise zone authorities; to provide for the capture and disbursement of certain tax revenue; and to prescribe powers and duties of certain state and local officials.

History: 2008, Act 549, Imd. Eff. Jan. 13, 2009;—Am. 2016, Act 9, Imd. Eff. Feb. 16, 2016.

The People of the State of Michigan enact:

390.1661 Short title.

Sec. 1. This act shall be known and may be cited as the "Michigan promise zone authority act".

History: 2008, Act 549, Imd. Eff. Jan. 13, 2009.

390.1663 Definitions.

Sec. 3. As used in this act:

(a) "Authority" means a promise zone authority created under this act.

(b) "Board" means the governing body of an authority.

(c) "Eligible entity" means a city, township, county, local school district, or intermediate school district, in which the percentage of families with children under age 18 that are living at or below the federal poverty level is greater than or equal to the state average of families with children under age 18 living at or below the federal poverty level, as determined by the department of treasury.

(d) "Federal poverty level" means the poverty guidelines published annually in the Federal Register by the United States Department of Health and Human Services under its authority to revise the poverty line under 42 USC 9902.

(e) "Governing body" means the elected body of an eligible entity that has legislative powers.

(f) "Nonpublic high school" means a high school operated by a nonpublic school that includes grades 9 to 12 or 10 to 12 and that awards a high school diploma. Nonpublic high school also includes a general education development test.

(g) "Nonpublic school" means that term as defined in section 5 of the revised school code, 1976 PA 451, MCL 380.5.

(h) "Promise of financial assistance" means a commitment by an eligible entity to provide financial resources for public or private postsecondary education, including a vocational program, to eligible students living in a promise zone and who have graduated from a public high school or nonpublic high school located within that promise zone.

(i) "Promise zone" means that area created by a governing body under this act.

(j) "Promise zone development plan" means that plan developed by an authority under this act that will ensure that the financial resources are available to adequately fund the promise of financial assistance.

(k) "Public high school" means a public school that includes grades 9 to 12 or 10 to 12 and that awards a high school diploma.

(l) "Public school" means that term as defined in section 5 of the revised school code, 1976 PA 451, MCL 380.5.

(m) "Qualified educational expenses" means tuition and fees required for the enrollment or attendance of a student at an educational institution, and may also include, if provided for in an authority's promise zone development plan, expenses for fees, books, supplies, and equipment required for courses of instruction at that educational institution.

(n) "School district" means that term as defined in the revised school code, 1976 PA 451, MCL 380.1 to 380.1852.

(o) "State education tax" means the tax levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906.

(p) "Vocational program" means an education or training program intended to teach a trade, occupation, or vocation and offered by a public or private postsecondary institution in this state.

History: 2008, Act 549, Imd. Eff. Jan. 13, 2009;—Am. 2013, Act 210, Imd. Eff. Dec. 23, 2013;—Am. 2020, Act 330, Eff. Mar. 24, 2021.

390.1664 Promise zone; establishment by governing body; resolution; public hearing; application; review by department of treasury; determination of eligibility; certification;

approval of resolution; election by local school district; establishment of separate promise zone by local school district; dissolution.

Sec. 4. (1) If a governing body determines that it is necessary for the best interests of the public to promote access to postsecondary education, the governing body may, by resolution, declare its intention to establish a promise zone.

(2) A governing body shall set a date for a public hearing on the adoption of a proposed resolution establishing a promise zone. Notice of the public hearing shall be published twice in a newspaper of general circulation in the eligible entity, at least 20 and not more than 40 days before the date of the hearing. Notice of the hearing shall be posted in at least 20 conspicuous and public places in the eligible entity at least 20 days before the hearing. The notice shall state the date, time, and place of the hearing and shall describe the proposed promise zone, the details of the promise of financial assistance, and the criteria for eligibility to receive that financial assistance.

(3) At least 30 days after the public hearing, if the governing body of an eligible entity intends to proceed with the establishment of a promise zone, it shall submit an application to the department of treasury seeking approval to establish the promise zone.

(4) The department of treasury shall review an application submitted under subsection (3) and shall determine if the governing body of the eligible entity that submitted the application is eligible to establish a promise zone under this act. If so, the department of treasury shall certify the eligibility of that governing body to establish a promise zone. The department of treasury shall review the applications submitted under subsection (3) on a first-come, first-served basis and shall not certify more than 15 governing bodies of eligible entities as eligible to establish a promise zone under this act.

(5) If the department of treasury certifies that the governing body of the eligible entity is eligible to create a promise zone, the governing body shall, by resolution, establish a promise zone.

(6) Within 90 days after a governing body approves a resolution to establish a promise zone, a local school district may by resolution elect not to participate in the establishment of a promise zone by the governing body of the eligible entity in which the local school district is located. The resolution shall include a provision that the local school district will establish a separate promise zone under this act. If the local school district does not establish a promise zone within a reasonable period of time, the department of treasury may include that local school district in the promise zone established by the eligible entity in which the local school district is located.

(7) If a governing body of an eligible entity by resolution dissolves a promise zone established under subsection (5), the department of treasury's certification authorizing that promise zone under subsection (4) is terminated and does not count toward the limit of 15 certifications under subsection (4).

History: Add. 2016, Act 9, Imd. Eff. Feb. 16, 2016;—Am. 2017, Act 150, Imd. Eff. Nov. 6, 2017.

390.1664a Ineligible entity; revenue capture from state education tax.

Sec. 4a. (1) A city, township, county, local school district, or intermediate school district that is not an eligible entity may create a promise zone under this act but shall not capture revenue from the state education tax under this act. The governing body of a city, township, county, local school district, or intermediate school district that is not an eligible entity shall not be considered under section 4 in determining the number of governing bodies of eligible entities eligible to establish a promise zone under this act.

(2) This section shall not prevent an eligible entity located within a city, township, county, local school district, or intermediate school district that is not an eligible entity from creating a promise zone under this act and capturing revenue from the state education tax under this act.

History: Add. 2016, Act 9, Imd. Eff. Feb. 16, 2016.

390.1665 Promise zone authority; creation; authority as public body corporate; powers; board; oath; proceedings and rules subject to open meetings act; removal of board member; writings subject to the freedom of information act.

Sec. 5. (1) If a governing body, by resolution, establishes a promise zone under section 4(5), the governing body shall, by resolution, create a promise zone authority.

(2) An authority is a public body corporate that may sue and be sued in any court of this state. An authority possesses all the powers necessary to carry out its purpose. The enumeration of a power in this act shall not be construed as a limitation on the general powers of an authority.

(3) An authority shall be under the supervision and control of a board. All of the following apply to the board of an authority:

(a) The board shall consist of 11 members, as follows:

(i) Nine locally appointed members. The chief executive officer of the eligible entity, with the advice and

consent of the governing body, shall appoint the 9 initial locally appointed members of the board described in this subparagraph. If a vacancy occurs in an office of a locally appointed member appointed under this subparagraph, the board shall appoint a new member to fill that vacancy. As used in this subparagraph, for a local school district or an intermediate school district, "chief executive officer" means the superintendent of that local school district or intermediate school district.

(ii) One member appointed by the senate majority leader.

(iii) One member appointed by the speaker of the house of representatives.

(b) Not more than 3 members of the board shall be government officials.

(c) One member of the board shall be a representative of the public school community.

(d) The term of office of a member of the board is 4 years. However, of the members first appointed, an equal number of the members, as near as is practicable, shall be appointed for 1 year, 2 years, 3 years, and 4 years.

(e) A member of the board shall hold office until the member's successor is appointed.

(f) Members of the board shall serve without compensation, but may be reimbursed for actual and necessary expenses.

(g) The chairperson of the board shall be elected by the board.

(4) Before assuming the duties of office, a member shall qualify by taking and subscribing to the constitutional oath of office.

(5) The proceedings and rules of the board are subject to the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. The board shall adopt rules governing its procedure and the holding of regular meetings, subject to the approval of the governing body. Special meetings may be held if called in the manner provided in the rules of the board.

(6) After having been given notice and an opportunity to be heard, a member of the board may be removed for cause by the governing body.

(7) A writing prepared, owned, used, in the possession of, or retained by the board in the performance of an official function is subject to the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

History: 2008, Act 549, Imd. Eff. Jan. 13, 2009;—Am. 2013, Act 210, Imd. Eff. Dec. 23, 2013;—Am. 2016, Act 9, Imd. Eff. Feb. 16, 2016.

390.1667 Promise zone development plan; provisions; funding for out-of-state postsecondary institution prohibited; submission of plan or amendments to department of treasury; failure to submit plan within certain time frame; review; approval or written notice of deficiencies; amendment.

Sec. 7. (1) A promise zone authority created under section 5 shall prepare a promise zone development plan.

(2) A promise zone development plan shall include, but is not limited to, all of the following:

(a) A complete description of the proposed promise of financial assistance. The proposed promise of financial assistance shall include, but is not limited to, a promise of financial assistance to all eligible students residing within the promise zone and who graduate from a public high school or nonpublic high school located within that promise zone, in an amount established by the board to reflect the amount available for disbursement to eligible students and included in the annual budget under section 15. The amount of proposed promise of financial assistance shall, at a minimum, equal or exceed the amount the board determines is sufficient to pay for the qualified educational expenses for an eligible student to obtain an associate degree at a community or junior college in this state, and shall not exceed the amount the board determines is sufficient to pay for the qualified educational expenses for an eligible student to obtain a bachelor's degree or its equivalent at a public postsecondary institution in this state or combination of public postsecondary institutions in this state, subject to any limitations authorized under this section. The proposed promise of financial assistance may also, at most, provide funding for an eligible student to attend a private college in this state in an amount that does not exceed the average amount of qualified educational expenses to obtain a bachelor's degree at all public universities in this state. The proposed promise of financial assistance may also authorize the expenditure of funds for educational improvement activities designed to increase readiness for postsecondary education at public schools located in the promise zone.

(b) A complete description of any limitation on the promise of financial assistance, including, but not limited to, any of the following:

(i) If the promise of financial assistance will be prorated based on the number of years the student has resided within the promise zone.

(ii) If the promise of financial assistance will be restricted to students who have resided within or attended a public high school or nonpublic high school within the promise zone for a minimum number of years.

(iii) If the promise of financial assistance is predicated on the student maintaining a minimum college grade point average and carrying a minimum college credit hour classload.

(iv) If the promise of financial assistance is restricted to attendance at 1 or more public or private postsecondary institutions in this state.

(v) If the promise of financial assistance is limited to students whose cumulative high school grade point average exceeds a specified minimum. However, a board may revise, establish, or eliminate a high school grade point average requirement for students after it submits a promise zone development plan to the department of treasury and is not required to amend the plan or obtain approval from the department of treasury for that change.

(vi) If the promise of financial assistance is limited to students who comply with requirements established by the board in order to improve student progress toward degree completion.

(vii) If the promise of financial assistance in a promise zone that encompasses more than 2 school districts is limited to students who reside in and graduate from high schools located within the boundaries of fewer than all of its constituent school districts.

(c) A requirement that graduates of a public high school or nonpublic high school exhaust all other known and available restricted grants for qualified educational expenses for postsecondary education provided by a federal, state, or local governmental entity, as determined by the board.

(d) How the funds necessary to accomplish the promise of financial assistance will be raised. Any amount received under the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1896, shall not be included as a method of raising the necessary funds. The promise zone development plan shall be financed from 1 or more of the following sources:

(i) Donations.

(ii) Revenues.

(iii) Money obtained from other sources approved by the governing body or otherwise authorized by law.

(e) An actuarial model of how much the proposed plan is estimated to cost, based on actuarial formulas developed by the department of treasury.

(f) A complete description of the criteria and procedures by which the performance of students receiving financial assistance pursuant to the proposed plan will be assessed and reported. This assessment and reporting methodology shall include, but is not limited to, the submission of a written report by no later than October 31 of each year to the department of treasury. This annual report shall include the following information, which may be obtained, in whole or in part, from any reliable source that complies with applicable laws regarding student privacy:

(i) The number of students who received financial assistance pursuant to the authority's approved promise zone development plan during the prior academic year.

(ii) Of those students accounted for under subparagraph (i), the number who successfully completed the following:

(A) A certificate or associate program.

(B) A bachelor's program.

(iii) Of those students accounted for under subparagraph (i), the number who withdrew from classes during the prior academic year.

(iv) Of those students accounted for under subparagraph (i) who initially reached successful completion of more than the equivalent of 23 semester credits during the prior academic year, the average time to successfully complete the equivalent of 24 semester credits.

(v) The 6-year graduation rate for recipients of financial assistance pursuant to the authority's approved promise zone development plan.

(3) The proposed promise of financial assistance under subsection (2) shall not include funding for attendance at a public or private postsecondary institution not located in this state.

(4) The board shall submit the promise zone development plan to the department of treasury within 5 years after the eligibility to establish the promise zone was certified by the department of treasury under section 4(4). If a promise zone development plan is not submitted within this time frame, the department of treasury may dissolve the promise zone. The promise zone development plan shall be published on the website of the eligible entity that established the promise zone.

(5) The department of treasury shall review the promise zone development plan submitted under subsection (4). Not more than 60 days after receipt of a promise zone development plan submitted under subsection (4), the department of treasury shall either approve the promise zone development plan or provide a written notice of deficiencies. If the department of treasury does not approve a promise zone development plan submitted under subsection (4) or provide a written notice of deficiencies within 60 days, the promise zone development plan shall be considered approved. If a promise zone development plan is approved, the

department of treasury shall certify that the promise zone development plan meets all requirements under this act and is sustainable.

(6) The department of treasury shall review any proposed amendments to a promise zone development plan. Not more than 60 days after receipt of proposed amendments to a promise zone development plan, the department of treasury shall either approve the proposed amendments or provide a written notice of deficiencies. If the department of treasury does not approve proposed amendments or provide a written notice of deficiencies within 60 days, the proposed amendments shall be considered approved. If proposed amendments are approved, the department of treasury shall certify that the amendments meet all requirements under this act.

(7) A promise zone development plan approved under this act before the effective date of the amendatory act that added this subsection shall be amended as necessary to meet the assessment and reporting requirements described in subsection (2)(f). That amendment shall include a first annual reporting deadline not later than October 31, 2017. That amendment shall be submitted by the board to the department of treasury within 60 days after the effective date of the amendatory act that added this subsection and is subject to the review process set forth in subsection (6).

History: 2008, Act 549, Imd. Eff. Jan. 13, 2009;—Am. 2013, Act 210, Imd. Eff. Dec. 23, 2013;—Am. 2016, Act 9, Imd. Eff. Feb. 16, 2016.

390.1669 Cause of action not created.

Sec. 9. (1) The establishment of a promise zone does not create a cause of action in law or in equity against this state, an eligible entity, or a promise zone authority.

(2) The establishment of a promise zone development plan does not create a cause of action in law or in equity against this state, an eligible entity, or a promise zone authority, if the proposed promise of financial assistance set forth in the promise zone development plan is not paid to an eligible student.

History: 2008, Act 549, Imd. Eff. Jan. 13, 2009;—Am. 2016, Act 9, Imd. Eff. Feb. 16, 2016.

390.1671 Director; powers and duties; acting director; treasurer; secretary; legal counsel; other personnel; deposit of money; administrative costs; limitation; submission of audited financial statements; certification of compliance.

Sec. 11. (1) The board may employ a director. All of the following apply to a director employed by a board under this subsection:

(a) The board shall establish the director's compensation.

(b) The director serves at the pleasure of the board.

(c) A member of the board is not eligible to hold the position of director.

(d) Before beginning his or her duties, the director shall take and subscribe to the constitutional oath and furnish a bond in an amount determined in the resolution establishing the authority, payable to the authority for use and benefit of the authority, approved by the board, and filed with the clerk of the eligible entity. The premium on the bond shall be considered an operating expense of the authority, payable from money available to the authority for expenses of operation.

(e) The director is the chief executive officer of the authority.

(2) Subject to the approval of the board, the director shall supervise and is responsible for implementing the promise zone development plan and the performance of the functions of the authority in the manner authorized under this act. The director shall attend the meetings of the board and shall provide to the board, the governing body, and the chief executive officer of the eligible entity a regular report covering the activities and financial condition of the authority. If the director is absent or disabled, the board may designate a qualified person as acting director to perform the duties of the office. Before beginning his or her duties, the acting director shall take and subscribe to the oath, and furnish a bond, as required of the director under subsection (1)(d). The director shall furnish the board with any information or reports governing the operation of the authority that the board requires.

(3) The board may employ and fix the compensation of a treasurer, who shall keep the financial records of the authority and who, together with the director, shall approve all vouchers for the expenditure of money of the authority. The treasurer shall perform all duties delegated to him or her by the board and shall furnish a bond in an amount prescribed by the board.

(4) The board may employ and fix the compensation of a secretary, who shall maintain custody of the official seal and of records, books, documents, or other papers the treasurer is not required to maintain. The secretary shall attend meetings of the board and keep a record of its proceedings and shall perform other duties delegated by the board.

(5) The board may retain legal counsel to advise the board in the proper performance of its duties.

(6) The board may employ any other personnel that the board considers necessary.

(7) The authority shall immediately deposit any money it receives to the credit of the authority, subject to disbursement under this act.

(8) Beginning in the first fiscal year in which it receives revenue from the state from the capture of state education tax revenue under section 17, the authority may use not more than 15% of the amount of that revenue to pay for administrative costs.

(9) Within 120 days after the end of each fiscal year, the board shall submit audited financial statements of the authority for that fiscal year to the department of education. The board shall include with the financial statements a certification by the board that the board and authority are in compliance with this act and with the authority's approved promise zone development plan.

History: 2008, Act 549, Imd. Eff. Jan. 13, 2009;—Am. 2013, Act 210, Imd. Eff. Dec. 23, 2013;—Am. 2016, Act 9, Imd. Eff. Feb. 16, 2016.

390.1673 Board; powers.

Sec. 13. The board may do any of the following:

(a) Prepare an analysis of the postsecondary educational opportunities for the residents of the promise zone.

(b) Study and analyze the need for financial resources to provide postsecondary educational opportunities for residents of the promise zone.

(c) Acquire by purchase or otherwise, on terms and conditions and in a manner the authority considers proper, or own, convey, or otherwise dispose of, or lease as lessor or lessee, land and other property, real or personal, or rights or interests in the property, that the authority determines is reasonably necessary to achieve the purposes of this act, and grant or acquire licenses, easements, and options.

(d) Fix, charge, and collect fees, rents, and charges for the use of any facility, building, or property under its control or any part of the facility, building, or property.

(e) Lease, in whole or in part, any facility, building, or property under its control.

(f) Solicit and accept grants and donations of money, property, labor, or other things of value from a public or private source.

History: 2008, Act 549, Imd. Eff. Jan. 13, 2009.

390.1675 Budget.

Sec. 15. (1) The board shall adopt a budget for the operation of the authority for each fiscal year, before the beginning of that fiscal year, based on a budget submitted to it by the director. The budget shall be prepared in the manner and contain the information required of municipal departments. Unless authorized by the governing body, the budget of an authority shall not include any money of the eligible entity.

(2) The budget described in subsection (1) shall include the amount the authority intends to disburse to each eligible student in the fiscal year covered by the budget. Subject to the maximum amounts described in section 7(2)(a), the board shall establish the amount of the annual payment to eligible students and, in making that determination, shall consider the financial resources available to the authority for disbursement to those students.

History: 2008, Act 549, Imd. Eff. Jan. 13, 2009;—Am. 2013, Act 210, Imd. Eff. Dec. 23, 2013.

390.1677 Capture of state education tax; determination of base year; payments.

Sec. 17. (1) The authority shall determine the base year for calculating the amount of incremental growth for the capture of the state education tax as provided in this section. The base year is the amount of revenue received from the collection of the state education tax in the promise zone in the year immediately preceding the year in which an authority makes its initial payment of qualified educational expenses in accordance with the promise of financial assistance or the amount of revenue received from the collection of the state education tax in the promise zone in any 1 of the 5 immediately succeeding years, whichever is less.

(2) If the authority continues to make annual payments in accordance with the promise of financial assistance, in the year immediately succeeding the base year determined in subsection (1) and each year thereafter, this state shall capture 1/2 of the increase in revenue, if any, from the collection of the state education tax. This state shall not capture any revenue from the collection of the state education tax under this act if that revenue is subject to capture under any other law of this state. Proceeds from the capture of the state education tax under this section shall be deposited in the state treasury and credited to a restricted fund to be used solely for the purposes of this act.

(3) If the authority continues to make annual payments of qualified educational expenses in accordance with the promise of financial assistance, 2 years after the authority's initial payment of financial assistance and

each year thereafter, this state shall pay to the authority the state education tax captured under subsection (2). If the boundaries of 2 or more promise zones created under this act overlap, payments under this section shall only be made to the first authority eligible for payment under this subsection. If the boundaries of a promise zone are changed by merger or otherwise, the department of treasury may adjust the calculation of the tax revenue capture under this section to reflect that change.

(4) If at any time the authority does not make annual payments of qualified educational expenses in accordance with the promise for financial assistance, any amount captured from that promise zone in the restricted fund created under subsection (2) shall be paid into the school aid fund established in section 11 of article IX of the state constitution of 1963.

(5) For purposes of this section, payments under this section shall not be included in determining payments for financial assistance in the immediately preceding year.

History: 2008, Act 549, Imd. Eff. Jan. 13, 2009;—Am. 2013, Act 210, Imd. Eff. Dec. 23, 2013;—Am. 2016, Act 9, Imd. Eff. Feb. 16, 2016.

390.1679 Department of treasury; assumption of operational control; dissolution; resolution; use of remaining property and assets.

Sec. 19. (1) The department of treasury shall oversee the operations of any promise zone authority or board created under this act. If the department of treasury determines that the actions of a promise zone authority or board are not in accordance with the promise zone development plan, the department of treasury may assume operational control of that promise zone authority or board. If a promise zone authority does not begin making annual payments of qualified educational expenses in accordance with the promise of financial assistance within 2 years of obtaining approval of its promise zone development plan under section 7, the department may dissolve the promise zone.

(2) An authority that has completed the purposes for which it was organized shall be dissolved by resolution of the governing body. The property and assets of the authority remaining after the satisfaction of the obligations of the authority belong to the eligible entity and shall be used solely for purposes of promoting access to postsecondary education pursuant to resolution of the governing body of the eligible entity.

History: 2008, Act 549, Imd. Eff. Jan. 13, 2009;—Am. 2016, Act 9, Imd. Eff. Feb. 16, 2016.

***** Act 45 of 2015 THIS ACT IS REPEALED BY ACT 127 OF 2023 EFFECTIVE SEPTEMBER 30, 2029

**HIGHER EDUCATION AUTHORIZATION AND DISTANCE EDUCATION RECIPROCAL
EXCHANGE ACT
Act 45 of 2015**

AN ACT to provide for the reciprocal exchange of distance education between this state and other states or a higher education compact; to prescribe the powers and duties of certain state agencies and officials; to provide for collection of fees; to designate the state agency for negotiating distance education agreements; to establish a complaint process for students enrolled in distance education programs at participating colleges and universities; to establish an authorization and approval process for out-of-state distance education providers and participating colleges and universities in this state; to provide penalties; and to repeal acts and parts of acts.

History: 2015, Act 45, Imd. Eff. June 9, 2015.

The People of the State of Michigan enact:

***** 390.1691 THIS SECTION IS REPEALED BY ACT 127 OF 2023 EFFECTIVE SEPTEMBER 30, 2029

390.1691 Short title.

Sec. 1. This act shall be known and may be cited as the "higher education authorization and distance education reciprocal exchange act".

History: 2015, Act 45, Imd. Eff. June 9, 2015.

Compiler's note: For the transfer of powers and duties of the department of licensing and regulatory affairs to the department of labor and economic opportunity, see E.R.O. No. 2019-3, compiled at MCL 125.1998.

***** 390.1692 THIS SECTION IS REPEALED BY ACT 127 OF 2023 EFFECTIVE SEPTEMBER 30, 2029

390.1692 Definitions.

Sec. 2. As used in this act:

(a) "Accredited" means approved by an accrediting body recognized by the United States Department of Education.

(b) "Authorization" means either of the following:

(i) An authorization from the department under section 4(1) to participate in a reciprocal agreement.

(ii) An authorization from the department under section 4(3) to provide distance education to residents of this state issued to a college or university that is located in another state and is not a party to a reciprocal agreement.

(c) "College or university" means a degree or certificate granting public or private college or university, junior college, or community college.

(d) "Department" means the department of licensing and regulatory affairs.

(e) "Distance education" means education that uses 1 or more technologies to deliver instruction to students who are separated from the instructor, and to support regular and substantive interaction between the students and the instructor, either synchronously or asynchronously. As used in this subdivision, "technologies" may include any of the following:

(i) The Internet.

(ii) One-way and 2-way transmissions through open broadcast, closed circuit, cable, microwave, broadband lines, fiber optics, satellite, or wireless communications devices.

(iii) Audio conferencing.

(iv) Video cassettes, DVDs, and CD-ROMs, if the cassettes, DVDs, or CD-ROMs are used in a course in conjunction with any of the technologies described in subparagraph (i), (ii), or (iii).

(f) "Participating college" means a college or university that is located in this state; elects to participate in a reciprocal agreement under this act; and meets the requirements of section 4.

(g) "Reciprocal agreement" means an agreement between this state and a higher education compact or 1 or more other states that allows participating colleges to provide distance education to residents of this state and other member states under this act.

History: 2015, Act 45, Imd. Eff. June 9, 2015.

Compiler's note: For the transfer of powers and duties of the department of licensing and regulatory affairs to the department of labor and economic opportunity, see E.R.O. No. 2019-3, compiled at MCL 125.1998.

***** 390.1693 THIS SECTION IS REPEALED BY ACT 127 OF 2023 EFFECTIVE SEPTEMBER 30, 2029

390.1693 Reciprocal agreements with public education agencies in other states or higher education compact; rules.

Sec. 3. (1) The department may on behalf of this state enter into reciprocal agreements with public educational agencies in other states or a higher education compact.

(2) The department may promulgate rules it considers necessary to implement, administer, and enforce this act. The department shall promulgate these rules under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

History: 2015, Act 45, Imd. Eff. June 9, 2015.

Compiler's note: For the transfer of powers and duties of the department of licensing and regulatory affairs to the department of labor and economic opportunity, see E.R.O. No. 2019-3, compiled at MCL 125.1998.

***** 390.1694 THIS SECTION IS REPEALED BY ACT 127 OF 2023 EFFECTIVE SEPTEMBER 30, 2029

390.1694 Participation of state college or university in reciprocal agreement; authorization; requirements; expiration; renewal; authorization for out-of-state college or university to provide distance education to residents; requirements; expiration; renewal; fees.

Sec. 4. (1) The department shall authorize a college or university that is located in this state to participate in a reciprocal agreement to which the department is a party if the college or university meets all of the following:

(a) Enters into an agreement with the department to subject itself to section 5 and the other requirements of this act.

(b) Is an accredited college or university.

(c) Submits an application for authorization to participate in the reciprocal agreement, on a form and with accompanying documentation as prescribed by the department, that provides the name of the college or university, its business address in this state, the name of an individual designated for contact, proof of accreditation, proof of financial responsibility in the form of proof of certification, under 34 CFR 668.13, of compliance with the financial responsibility standards of 34 CFR, part 668, subpart L, and any other relevant information requested by the department.

(d) Pays an application fee of \$2,000.00 and an initial authorization fee of \$2,000.00.

(2) An authorization under subsection (1) to participate in a reciprocal agreement expires on December 31. A participating college may renew an authorization for 1 or more additional calendar years by submitting an application for renewal on a form prescribed by the department, and paying an annual renewal fee of \$2,000.00, by December 1 of each year.

(3) A college or university that is located outside of this state and is not a party to a reciprocal agreement to provide distance education to residents of this state may elect to obtain authorization from the department to provide that distance education. The department shall provide that authorization if the college or university meets all of the following:

(a) Enters into an agreement with the department to subject itself to section 5 and the other requirements of this act.

(b) Submits an application for authorization to provide distance education to residents of this state, on a form and with accompanying documentation as prescribed by the department, that provides the name of the college or university, its business address, the name of an individual designated for contact, proof of accreditation, proof of financial responsibility in the form of proof of certification, under 34 CFR 668.13, of compliance with the financial responsibility standards of 34 CFR, part 668, subpart L, and any other relevant information requested by the department.

(c) Pays an application fee of \$5,000.00 and an initial authorization fee of \$5,000.00.

(4) An authorization under subsection (3) to provide distance education to residents of this state expires on December 31. A college or university may renew an authorization obtained under subsection (3) for 1 or more additional calendar years by submitting an application for renewal on a form prescribed by the department, and paying an annual renewal fee of \$5,000.00, by December 1 of each year.

(5) Fees collected under this act shall be used solely for administrative expenses incurred under this act and are not refundable.

History: 2015, Act 45, Imd. Eff. June 9, 2015.

Compiler's note: For the transfer of powers and duties of the department of licensing and regulatory affairs to the department of labor and economic opportunity, see E.R.O. No. 2019-3, compiled at MCL 125.1998.

***** 390.1695 THIS SECTION IS REPEALED BY ACT 127 OF 2023 EFFECTIVE SEPTEMBER 30, 2029

390.1695 Assurance that student will receive services for which payment is made; compensation for services not received; rules; protection of student records; complaint; standards of practice.

Sec. 5. (1) Each participating college and each out-of-state college or university that holds an authorization from the department under section 4(3) shall assure that each student enrolled in a distance education program at that participating college or out-of-state college or university receives the services for which he or she has paid, or receives reasonable financial compensation for those services he or she has not received if a course in which he or she is enrolled is terminated before the expected completion date of that course. This assurance shall be in writing and may include tuition assurance funds, surety bonds, teach-out provisions, or other practices considered sufficient to protect consumers by the department. The department may promulgate rules for the administration of this subsection, including the development of forms it considers appropriate.

(2) Each participating college and each out-of-state college or university that holds an authorization from the department under section 4(3) shall provide for the protection of student records for students enrolled in a distance education program at that participating college or out-of-state college or university and shall comply with any rules promulgated by the department concerning the protection of those student records.

(3) Each participating college and each out-of-state college or university that holds an authorization from the department under section 4(3) shall adopt and publish a written policy that allows students enrolled in a distance education program at that participating college or out-of-state college or university to file a complaint with the department for any violation of this act or rules promulgated under this act. The department shall establish a complaint process for those students.

(4) Each participating college and each out-of-state college or university that holds an authorization from the department under section 4(3) shall meet the standards of practice contained in the interregional guidelines for the evaluation of distance education, published by the Council of Regional Accrediting Commissions in July of 2009, which are incorporated by reference.

History: 2015, Act 45, Imd. Eff. June 9, 2015.

Compiler's note: For the transfer of powers and duties of the department of licensing and regulatory affairs to the department of labor and economic opportunity, see E.R.O. No. 2019-3, compiled at MCL 125.1998.

***** 390.1696 THIS SECTION IS REPEALED BY ACT 127 OF 2023 EFFECTIVE SEPTEMBER 30, 2029

390.1696 Violation of act, rule, or order; duties of department; administrative fine; limitation.

Sec. 6. (1) After notice and opportunity for hearing under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, the department shall do 1 or more of the following if it determines that a participating college that holds an authorization from the department under section 4(1), or an out-of-state college or university that holds an authorization from the department under section 4(3), has violated this act, a rule promulgated under this act, or an order issued under this act:

- (a) Place a limitation on the authorization.
- (b) Suspend the authorization.
- (c) Deny an authorization or renewal of the authorization.
- (d) Revoke the authorization.
- (e) Assess an administrative fine under subsection (2).
- (f) Order restitution to an aggrieved student who participated or is participating in a distance education program.
- (g) Impose any other sanction established by the department by rule.

(2) The department may assess an administrative fine of not more than \$1,000.00, plus the department's actual costs of the investigation, for a violation of this act or rules promulgated under this act. However, the department may not assess administrative fines under this subsection against a college or university that in the aggregate are more than \$5,000.00 for multiple violations of this act or rules promulgated under this act that arise from the same transaction.

History: 2015, Act 45, Imd. Eff. June 9, 2015.

Compiler's note: For the transfer of powers and duties of the department of licensing and regulatory affairs to the department of labor and economic opportunity, see E.R.O. No. 2019-3, compiled at MCL 125.1998.

labor and economic opportunity, see E.R.O. No. 2019-3, compiled at MCL 125.1998.

***** 390.1697 THIS SECTION IS REPEALED BY ACT 127 OF 2023 EFFECTIVE SEPTEMBER 30, 2029

390.1697 Repeal of act.

Sec. 7. This act is repealed effective September 30, 2029.

History: 2015, Act 45, Imd. Eff. June 9, 2015;—Am. 2017, Act 99, Imd. Eff. July 13, 2017;—Am. 2023, Act 127, Imd. Eff. Sept. 29, 2023.

Compiler's note: For the transfer of powers and duties of the department of licensing and regulatory affairs to the department of labor and economic opportunity, see E.R.O. No. 2019-3, compiled at MCL 125.1998.

MICHIGAN RECONNECT GRANT ACT
Act 84 of 2020

AN ACT to establish certain financial aid programs for certain residents of this state seeking associate degrees or industry-recognized certificates or credentials from certain educational and jobs training programs; to provide for the administration of the financial aid programs; and to prescribe certain powers and duties of certain state officers, agencies, and departments.

History: 2020, Act 84, Imd. Eff. Apr. 2, 2020.

The People of the State of Michigan enact:

390.1701 Short title; intent.

Sec. 1. (1) This act may be cited as the "Michigan reconnect grant act".

(2) The reconnect program and reconnect initiative created respectively in this act and the Michigan reconnect grant recipient act, 2020 PA 68, MCL 390.1711 to 390.1723, are intended to provide last-dollar financial assistance to individuals age 25 and older seeking associate degrees or industry-recognized certificates or credentials; to provide those individuals with greater access to the education and skills needed to succeed in, and meet the demands of, an evolving economy in which there is continuing demand for a talented local workforce; to drive innovations specific to adult learners in this state's community colleges; to mitigate educational equity gaps in the furtherance of individual prosperity; and to achieve the goal of increasing the number of residents ages 25 to 64 with a college degree or skill certificate or credential to 60% by 2030.

History: 2020, Act 84, Imd. Eff. Apr. 2, 2020;—Am. 2022, Act 251, Eff. Mar. 29, 2023.

390.1703 Definitions.

Sec. 3. As used in this act:

(a) "Center" means the center for educational performance and information created in section 94a of the school aid act of 1979, 1979 PA 94, MCL 388.1694a.

(b) "Department" means the department of labor and economic opportunity.

(c) "Eligible institution" means a postsecondary educational institution that meets all of the following:

(i) Is an accredited public community college in this state.

(ii) Complies with applicable restraints on fee and tuition rate increases, if any, provided for in article II of the school aid act of 1979, 1979 PA 94, MCL 388.1801 to 388.1830.

(iii) Participates in quality assurance protocols established by the department for purposes of accurately tracking student outcomes described in section 5(g) and (h).

(iv) Submits a written report of all of the following information to the department by not later than October 1, 2020 and each year thereafter by not later than June 30:

(A) The institution's goals, expressed numerically, for student persistence and credential completion.

(B) A demonstration of ways in which the institution follows best practices in providing programs of study and student support based on national evidence, including partnering with institutions that grant bachelor's degrees, providing coursework for general studies students and requirements of associate degrees and certificates, providing stackable industry-recognized micro credentials within certificate and associate degree programs, providing credit for prior learning, providing work-based learning opportunities, and providing holistic student support services.

(C) The institution's current policy for determining a student's eligibility to enroll directly into freshman-level courses without remediation.

(D) A description of and evidence base for all models of remediation currently offered by the institution.

(v) By not later than August 1, 2023, for all Michigan reconnect grant students who need academic remediation, provides appropriate academic support, including all of the following:

(A) A corequisite model of academic support for gateway English and mathematics pathway courses under which a student concurrently enrolls in a developmental education course and a freshman-level course in the same or a related subject area for each subject area needing remediation, to be completed during the same semester as the freshman-level course. An institution providing corequisite support as described in this sub-subparagraph remains eligible whether or not it charges tuition or fees for the developmental education portions of the program.

(B) Any additional remediation programs as the institution considers appropriate, subject to all of the following:

(I) An additional remediation program must serve as a supplement to, not as an alternative to, the

corequisite model described in sub-subparagraph (A).

(II) For each additional remediation program, the institution must include in its annual report, pursuant to subparagraph (iv)(D), an evidence-based rationale for the program.

(III) An additional remediation program must be offered at no charge to Michigan reconnect grant students or offered outside of the institutional tuition and fee structure. For a program offered outside of its tuition and fee structure, an institution may use foundation or other local funding sources or refer students to adult education providers.

(vi) Provides reasonable accommodations to Michigan reconnect grant students with disabilities as required by section 504 of title V of the rehabilitation act of 1973, 29 USC 794, and subtitle A of title II of the Americans with disabilities act of 1990, 42 USC 12131 to 12134.

(vii) Designates an individual employed by the institution as the institution's primary contact with the department for purposes of coordinating the administration of the Michigan reconnect grant program in accordance with this act.

(viii) Demonstrates, in a form and manner prescribed by the department, that the institution does all of the following:

(A) Is working to adopt best practices for partnering with bachelor's degree granting institutions, providing coursework for general studies and requirements of associate degrees and certificates, providing stackable industry-recognized micro credentials within certificate and associate degree programs, providing credit for prior learning, providing work-based learning opportunities, providing holistic student support services, and providing a guided pathways model by which students receive early advising and career exploration, set a pathway of interest during their first term, and develop a full program plan within their first or second term.

(B) Informs Michigan reconnect grant students upon admission of its policies for converting prior learning into community college credit and any means available to maximize acceleration, as described in subparagraph (iv)(B).

(C) Supports adult learners by offering competency-based courses and programs.

(D) Awards academic credit to learners scoring the minimum American Council on Education standard score on college-level credit exams from organizations such as CLEP and DSST.

(E) Encourages Michigan reconnect grant students to establish an account on the institution's employment database.

(F) Identifies best practices in student success, reviews evidence to support best practices, and discusses with relevant experts emerging opportunities to increase the success of Michigan reconnect grant students. Subject to section 5a, an institution must perform the requirements of this sub-subparagraph in consultation with the Michigan Center for Adult College Success.

(d) "Industry-recognized certificate or credential" means a certificate or credential that is portable and is sought or accepted by multiple employers within an industry for purposes of recruitment, hiring, or promotion.

(e) "Michigan reconnect grant student" means a student admitted to and enrolled in an eligible institution, regardless of whether the student is receiving a Michigan reconnect grant under this act.

History: 2020, Act 84, Imd. Eff. Apr. 2, 2020;—Am. 2022, Act 251, Eff. Mar. 29, 2023.

390.1705 Michigan reconnect grant program; powers and duties of department of labor and economic opportunity; program requirements; annual written progress report.

Sec. 5. The Michigan reconnect grant program is created in the department for the purpose of providing Michigan reconnect grants to individuals eligible for those grants under the Michigan reconnect grant recipient act, 2020 PA 68, MCL 390.1711 to 390.1723. The department shall do all of the following:

(a) Develop and administer the program.

(b) Create and maintain a program website.

(c) Create and maintain a marketing campaign for the program.

(d) Operate a help desk for the program.

(e) Create and maintain a network of navigators to help Michigan reconnect grant students navigate the path to college, supporting but not supplanting the programming and assistance offered by community colleges. In connection with maintaining this network of navigators, the department shall ensure that navigators are instructed to inform Michigan reconnect grant applicants of any relevant policies for earning credit for prior learning, as described in section 3(c)(iv)(B), and connect Michigan reconnect grant applicants to their local workforce development agency for additional support services and registration with their local career services office.

(f) Provide Michigan reconnect grant students with information about skills in demand and related compensation in the local labor market.

(g) Partner with the center to report, in a user-friendly format, credential completion outcomes of Michigan reconnect grant students.

(h) To facilitate the reporting of valid and reliable longitudinal data under subdivision (g), ensure that all eligible institutions and other individuals and entities that participate in the implementation of the Michigan reconnect grant program use the unique statewide student identification codes issued by the center to track Michigan reconnect grant students in accordance with section 94a of the school aid act of 1979, 1979 PA 94, MCL 388.1694a, and require eligible institutions to identify and report at the student level any attempts and completion for gateway English and mathematics courses in a form and manner as prescribed by the center.

(i) Establish a process to allow eligible institutions to be reimbursed for awarding credit for prior learning at a rate of \$80.00 per credit hour for credit awarded to Michigan reconnect grant students for Advanced Placement, CLEP, DSST, military training, industry credentials, work-based learning, portfolio assessment, and other types of credit for prior learning as determined by the department.

(j) As part of the department's responsibility to better connect education and training demands in the labor market with qualified degree, training, and apprenticeship programs, facilitate efforts by businesses, unions, and community colleges to effectively match skills provided with those in demand and encourage eligible institutions across this state to adopt consistent placement policies.

(k) To facilitate maximum 4-year completion rates for Michigan reconnect grant students, implement all of the following program requirements:

(i) The center shall provide each eligible institution with a 4-year adult completion rate baseline that reflects the percentage of degree-seeking adult students age 25 and up who enrolled at that institution in the fall of 2017 and earned an associate degree or occupational certificate, or transferred to a 4-year university or college, by August 2021. Degree-seeking adult students age 25 and up who enrolled at the institution in the fall of 2017 and transferred to another eligible institution must be subtracted from both the numerator and denominator in calculating the 4-year adult completion rate baseline.

(ii) The center shall annually provide the department each eligible institution's credential completion numbers and rates to determine whether the institution has maintained full program standing. To assist the center in this annual reporting, by a deadline set by the department, each eligible institution shall provide the center with a preliminary calculation of the institution's previous year's credential completion numbers and rates. The center shall consider an institution's preliminary calculations when making its independent determination of the institution's credential completion numbers and rates. To maintain full program standing, an institution must achieve 1 of the following, as applicable:

(A) For an institution with a 4-year adult completion rate baseline as provided by the center under subparagraph (i) of less than 30%, the institution must subsequently achieve each year a 4-year completion rate that is no less than 3 percentage points greater than its immediately preceding 4-year completion rate until a 30% 4-year completion rate is attained; then must subsequently achieve each year a 4-year completion rate that is no less than 2 percentage points greater than its immediately preceding 4-year rate until a 50% 4-year completion rate is attained; and then must subsequently achieve each year a 4-year completion rate that is greater, by no specific measure, than its immediately preceding 4-year completion rate until a 75% 4-year completion rate is attained.

(B) For an institution with a 4-year adult completion rate baseline as provided by the center under subparagraph (i) equal to or greater than 30% and less than 50%, the institution must subsequently achieve each year a 4-year completion rate that is no less than 2 percentage points greater than its immediately preceding 4-year completion rate until a 50% 4-year completion rate is attained; and then must subsequently achieve each year a 4-year completion rate that is greater, by no specific measure, than its immediately preceding 4-year completion rate until a 75% 4-year completion rate is attained.

(C) For an institution with a 4-year adult completion rate baseline as provided by the center under subparagraph (i) equal to or greater than 50% and less than 75%, the institution must subsequently achieve each year a 4-year completion rate that is greater, by no specific measure, than its immediately preceding 4-year completion rate until a 75% 4-year completion rate is attained.

(iii) An institution that fails to achieve its annual completion-gain target under subparagraph (ii) is placed on probationary status. If it meets its annual completion-gain target the subsequent year, it is returned to full program-standing status.

(iv) An institution that fails to meet its annual completion-gain target for 2 consecutive years is placed on low-performing status with the following consequences:

(A) In a time and manner prescribed by the department, the institution shall develop a corrective action plan in consultation with the department's Office of Sixty by 30 or its successor, the Michigan Community College Association, and, subject to section 5a, the Michigan Center for Adult College Success, and the institution shall submit its corrective action plan to the Office of Sixty by 30 or its successor for approval.

(B) In the first year after an institution is placed on low-performing status and each succeeding year in which the institution fails to meet its completion target, this state will reimburse the institution only 90% of the last-dollar tuition cost of each Michigan reconnect grant student, the institution being required to pay the remaining 10% of last-dollar tuition cost out of other institution revenues in order to remain eligible for participation in the Michigan reconnect program. An institution on low-performing status shall not charge Michigan reconnect grant students for the gap between tuition cost and reduced state reimbursement.

(C) In the year immediately following an institution placed on low-performing status achieving its annual completion-rate target, that institution must be returned to full program-standing status and receive a 100% state reimbursement for the cost of last-dollar tuition grants to Michigan reconnect grant students.

(l) By not later than June 1 each year, beginning in 2021, provide a written report detailing the progress of the Michigan reconnect grant program to the chairpersons of the standing committees and the appropriations subcommittees of the house of representatives and senate having jurisdiction over legislation or oversight of appropriations pertaining to workforce development. The report must be made available to the public on the department's website and, at minimum, must include all of the following information for the immediately preceding academic year:

(i) The total amount of Michigan reconnect grants awarded to Michigan reconnect grant students.

(ii) The total amount of funding used for oversight and implementation of the Michigan reconnect grant program, including, but not limited to, total funding used for each of the following:

(A) Full-time equated positions.

(B) System improvements.

(C) Training costs.

(iii) The total amount of funding used for program support services, including, but not limited to, total funding used for each of the following:

(A) Full-time equated positions.

(B) Case management.

(C) Technical assistance.

(iv) The total amount of funding used for marketing.

(v) The total number of navigators employed by the department; the total number of navigators assigned to each eligible institution; and the number of Michigan reconnect grant students assigned to each navigator, organized by eligible institution.

(vi) The total number of eligible institutions to which Michigan reconnect grants were paid for credit to student accounts under section 17 of the Michigan reconnect grant recipient act, 2020 PA 68, MCL 390.1717; a list of the names of those eligible institutions; and the total number and amount of Michigan reconnect grants that were awarded, organized by eligible institution.

(vii) The amount of credit awarded for prior learning by eligible institutions to be reimbursed at a rate of \$80.00 per credit hour for credit awarded to Michigan reconnect grant students for Advanced Placement, CLEP, DSST, military training, industry credentials, work-based learning, portfolio assessment, and other types of credit for prior learning as determined by the department.

(viii) The total number of individuals who applied for Michigan reconnect grants; the total number of individuals awarded those grants; the mean and median grant amounts; and the total number of grant recipients who earned either an associate degree or industry-recognized certificate or credential.

(ix) Any other relevant information, as determined by the department.

History: 2020, Act 84, Imd. Eff. Apr. 2, 2020;—Am. 2022, Act 251, Eff. Mar. 29, 2023.

390.1705a Michigan Center for Adult College Success.

Sec. 5a. Subject to appropriation, there is created the Michigan Center for Adult College Success in the department or, as may be provided in connection with an appropriation implementing this section, another state department or agency or an appropriate nonprofit organization. The Michigan Center for Adult College Success shall serve as this state's primary resource for research, support models, and best practices on ensuring adult enrollment and completion of college degrees and certificates at eligible institutions.

History: Add. 2022, Act 251, Eff. Mar. 29, 2023.

390.1707 Appropriation for grants.

Sec. 7. Subject to appropriation, the department may expend Michigan reconnect grant program money to award grants and support its other duties as described in section 5.

History: 2020, Act 84, Imd. Eff. Apr. 2, 2020.

390.1709 Rules.

Sec. 9. Except as otherwise provided in this section, the department shall promulgate rules to implement section 5(h) only, pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328. However, any data reporting system and penalties for noncompliance established by the department must be narrowly tailored to the purposes described in section 5(h). To facilitate implementation of the Michigan reconnect grant program prior to final rules being adopted, the department may develop and administer the data reporting system under the Michigan reconnect grant program in accordance with its proposed rules or other policy or directive of the department established pursuant to this act.

History: 2020, Act 84, Imd. Eff. Apr. 2, 2020.

MICHIGAN RECONNECT GRANT RECIPIENT ACT
Act 68 of 2020

AN ACT to establish certain financial aid programs for certain residents of this state seeking associate degrees or industry-recognized certificates or credentials from certain educational and jobs training programs; to provide for the administration of the financial aid programs; and to prescribe certain powers and duties of certain state officers, agencies, and departments.

History: 2020, Act 68, Imd. Eff. Apr. 2, 2020.

The People of the State of Michigan enact:

390.1711 Short title; intent.

Sec. 11. (1) This act may be cited as the "Michigan reconnect grant recipient act".

(2) The reconnect initiative and the reconnect program created respectively in this act and the Michigan reconnect grant act, 2020 PA 84, MCL 390.1701 to 390.1709, are intended to provide last-dollar financial assistance to individuals age 25 and older seeking associate degrees or industry-recognized certificates or credentials; to provide those individuals with greater access to the education and skills needed to succeed in, and meet the demands of, an evolving economy in which there is continuing demand for a talented local workforce; to drive innovations specific to adult learners in this state's community colleges; to mitigate educational equity gaps in the furtherance of individual prosperity; and to achieve the goal of increasing the number of residents ages 25 to 64 with a college degree or skill certificate or credential to 60% by 2030.

History: 2020, Act 68, Imd. Eff. Apr. 2, 2020;—Am. 2022, Act 252, Eff. Mar. 29, 2023.

390.1713 Definitions.

Sec. 13. As used in this act:

- (a) "Department" means the department of labor and economic opportunity.
- (b) "Eligible institution" means that term as defined in the Michigan reconnect grant act, 2020 PA 84, MCL 390.1701 to 390.1709.
- (c) "Gift aid" means federal Pell grants under 20 USC 1070a and tuition incentive program benefits under section 256 of the school aid act of 1979, 1979 PA 94, MCL 388.1856. The term does not include any of the following:
 - (i) Student loans.
 - (ii) Work-study awards.
 - (iii) 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.
 - (iv) Higher education expenses paid under the Michigan educational trust program, pursuant to the Michigan education trust act, 1986 PA 316, MCL 390.1421 to 390.1442.
 - (v) Higher education expenses paid under the Michigan promise zone authority act, 2008 PA 549, MCL 390.1661 to 390.1679.
 - (vi) Financial aid from any source that is used for nontuition expenses.
- (d) "Industry-recognized certificate or credential" means that term as defined in the Michigan reconnect grant act, 2020 PA 84, MCL 390.1701 to 390.1709.
- (e) "Michigan reconnect grant" means a grant awarded under the Michigan reconnect grant program.
- (f) "Michigan reconnect grant program" means the grant program created under section 5 of the Michigan reconnect grant act, 2020 PA 84, MCL 390.1705.
- (g) "Michigan reconnect grant student" means that term as defined in the Michigan reconnect grant act, 2020 PA 84, MCL 390.1701 to 390.1709.
- (h) "Pell-eligible program" means a program eligible for grant funding under 20 USC 1070a.
- (i) "Qualified occupational training program" means a career training program approved by the department that meets all of the following:
 - (i) Provides not less than 150, and not more than 600, clock hours of instructional time over a period of not less than 8 weeks and not more than 15 weeks. This subparagraph does not apply to a career training program that provides didactic instruction leading to an industry-recognized credential in health care that prepares program completers for high-demand occupations.
 - (ii) Provides training aligned with the requirements of high-skill, high-wage, or in-demand industry sectors for occupations in this state as determined by the department in consultation with the Bureau of Labor Market Information and Strategic Initiatives.
 - (iii) Is included on this state's eligible training provider list located in the department.

(iv) Provides a student, upon completion of the program, with a recognized postsecondary credential that is stackable and portable across multiple employers and geographic areas.

(v) Has demonstrated that, within 6 months after completing the program, the median income of students who complete the program is at least 20% greater than the median income of all program enrollees 6 months before starting the program. This subparagraph does not apply to a career training program that provides didactic instruction leading to an industry-recognized credential in health care that prepares program completers for high-demand occupations.

(vi) For a job training program that prepares students for a professional license or certification exam, has demonstrated that students who complete the program are qualified to take and pass the licensure or certification exam.

(vii) Has been in operation for at least 1 year.

(viii) For programs offered by institutions of higher education, includes institutional credit articulation for a student in a noncredit job training program.

(ix) If the course of study is provided by an apprenticeship program, the program must be registered with the United States Department of Labor under the national apprenticeship act, 29 USC 50 et seq.

History: 2020, Act 68, Imd. Eff. Apr. 2, 2020;—Am. 2022, Act 252, Eff. Mar. 29, 2023.

390.1715 Michigan reconnect grant; recipient eligibility requirements.

Sec. 15. To establish initial eligibility for a Michigan reconnect grant, an individual must meet all of the following conditions by the date of his or her enrollment described in subdivision (d):

(a) Be at least 25 years old.

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

(c) Have graduated from high school with a diploma or certificate of completion or achieved a high school equivalency certificate. As used in this subdivision, "high school equivalency certificate" means that term as defined in section 4 of the school aid act of 1979, 1979 PA 94, MCL 388.1604.

(d) Be admitted to, and enrolled in, a Pell-eligible program at an eligible institution leading to an associate degree or industry-recognized certificate or credential.

(e) Not have previously earned an associate or baccalaureate degree.

(f) Timely complete a Michigan reconnect grant application in a form and manner determined by the department.

(g) Timely file the Free Application for Federal Student Aid for the enrollment period described in subdivision (d).

(h) Timely apply for all available gift aid for the enrollment period described in subdivision (d).

History: 2020, Act 68, Imd. Eff. Apr. 2, 2020;—Am. 2022, Act 252, Eff. Mar. 29, 2023.

390.1716 Michigan reconnect grant; continued eligibility requirements.

Sec. 16. To establish continuing eligibility for a Michigan reconnect grant at an eligible institution, an individual must meet all of the following conditions:

(a) Continue to be a resident of this state.

(b) Except as otherwise provided in section 18(1), maintain enrollment in a Pell-eligible program at an eligible institution leading to an associate degree or industry-recognized certificate or credential and earn at least 12 credits after each academic year period, once the individual begins an academic year.

(c) Maintain satisfactory academic progress as determined by the eligible institution or a 2.0 grade point average since becoming a Michigan reconnect grant student.

(d) Timely file the Free Application for Federal Student Aid for each academic year in which he or she applies for a Michigan reconnect grant.

(e) Timely apply for all available gift aid for each academic year in which he or she applies for a Michigan reconnect grant.

History: 2020, Act 68, Imd. Eff. Apr. 2, 2020;—Am. 2022, Act 252, Eff. Mar. 29, 2023.

390.1717 Amount of grant; limitation; distribution.

Sec. 17. (1) The amount of a Michigan reconnect grant awarded to a Michigan reconnect grant student under this act must not exceed the following, as applicable:

(a) For a student attending an eligible institution who is eligible for that institution's in-district tuition rate, the student's tuition and mandatory fees minus the student's gift aid.

(b) For a student attending an eligible institution who is not eligible for that institution's in-district tuition rate, the cost of tuition at the in-district resident rate and mandatory fees.

(2) If awarded, Michigan reconnect grant money must be paid to the eligible institution for credit to the

student's account.

History: 2020, Act 68, Imd. Eff. Apr. 2, 2020;—Am. 2022, Act 252, Eff. Mar. 29, 2023.

390.1718 Leave of absence; medical or family hardship; term of eligibility; transfers; repayment.

Sec. 18. (1) A Michigan reconnect grant student who, with the approval of the eligible institution, takes a leave of absence from the eligible institution due to a medical or family hardship may, subject to department approval, continue to receive the grant upon resuming the student's education at an eligible institution if the student continues to meet all applicable eligibility requirements. A leave of absence under this subsection does not disrupt the minimum-credit requirement under section 16(b) and does not count toward the 4-year limitation described in subsection (2)(a).

(2) A student is eligible for a Michigan reconnect grant until the occurrence of either of the following:

(a) Subject to subsection (1), 4 years have passed since the student became a Michigan reconnect grant student.

(b) The student has earned an associate degree. For purposes of this subdivision, a student who has earned a certificate or credential at an eligible institution remains eligible for the Michigan reconnect grant if he or she has not yet earned an associate degree.

(3) A student who participates in the Michigan reconnect grant program may transfer from 1 eligible institution to another eligible institution without loss of the grant so long as the student continues to meet all eligibility requirements for the grant.

(4) Repayment of any Michigan reconnect grant money received by a Michigan reconnect grant student who withdraws from a course of study or degree program must be determined in accordance with the department of treasury's state program procedures manual for financial aid professionals.

History: 2020, Act 68, Imd. Eff. Apr. 2, 2020;—Am. 2022, Act 252, Eff. Mar. 29, 2023.

390.1719 Rules.

Sec. 19. Except as otherwise provided under this section, the department shall promulgate rules to implement section 15 only, pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328. However, the department's rule-making authority is limited to developing the form for the Michigan reconnect grant application and prescribing the time and manner of its completion, as provided in section 15(f), and applying the initial eligibility criteria listed in section 15(a) to (e), (g), and (h). The department shall not apply any initial eligibility criteria not listed in section 15. To facilitate implementation of the Michigan reconnect grant program prior to final rules being adopted, the department may develop and administer the Michigan reconnect grant application in accordance with its proposed rules or other policy or directive of the department established pursuant to this act.

History: 2020, Act 68, Imd. Eff. Apr. 2, 2020.

390.1721 Reconnect short-term training program; creation and implementation; skills scholarship requirements; rules.

Sec. 21. (1) The reconnect short-term training program is created in the department for the purpose of providing skills scholarships to individuals eligible for those scholarships under this section. The department shall do all of the following:

(a) Develop and implement a process by which those seeking to participate in the reconnect short-term training program as a training institution offering qualified occupational training programs must apply to the department.

(b) Approve as a qualified occupational training program a program for which an application is submitted under subdivision (a) that meets all of the criteria in section 13(i), and post these criteria to the department's website.

(c) Require that training institutions accepted to participate in the reconnect short-term training program comply with data requests from the department as a condition to continued participation. For purposes of this subdivision, the department shall require institutions operating apprenticeship programs subject to this act to provide data that tracks relevant work experience required to verify a student's status as an apprentice.

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

(e) Award skills scholarships, subject to all of the following:

(i) A skills scholarship is a 1-time grant not to exceed \$1,500.00 to contribute to tuition costs for a qualified occupational training program at a training institution, both of which are approved under this section, for a training program participant who meets the requirements of subparagraph (ii). A skills

scholarship must not exceed the full amount of the tuition charged for the training program.

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

(A) Be at least 25 years old.

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

(C) Have graduated from high school with a diploma or certificate of completion or achieved a high school equivalency certificate. As used in this sub-subparagraph, "high school equivalency certificate" means that term as defined in section 4 of the school aid act of 1979, 1979 PA 94, MCL 388.1604.

(D) Not have previously earned an associate or baccalaureate degree.

(E) Timely complete a reconnect short-term training program scholarship application in a form and manner determined by the department.

(iii) The department may award skills scholarships under this section only until money appropriated to the reconnect short-term training program has been fully committed.

(f) Inform each recipient of a skills scholarship that he or she will remain eligible for the Michigan reconnect grant program to pursue an associate degree or occupational certificate upon completion of a qualified occupational training program at a training institution, and that community colleges will work to convert the coursework completed at that training institution into community college credit wherever possible.

(2) Except as otherwise provided under subsection (3), the department shall promulgate rules to implement subsection (1)(a), (b), and (c) only, pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, subject to all of the following:

(a) Under subsection (1)(a), the department is limited to developing the form for the application described in subsection (1)(a) and prescribing the time and manner of its completion.

(b) Under subsection (1)(b), the department is limited to applying the eligibility criteria described in subsection (1)(b) and shall not apply any other eligibility criteria.

(c) Under subsection (1)(c), the department is limited to requiring compliance with data requests as described in subsection (1)(c).

(3) To facilitate implementation of the Michigan reconnect grant program prior to final rules being adopted, the department may develop and administer the reconnect short-term training program in accordance with its proposed rules or other policy or directive of the department established pursuant to this act.

History: 2020, Act 68, Imd. Eff. Apr. 2, 2020;—Am. 2022, Act 252, Eff. Mar. 29, 2023.

390.1723 Annual report to legislature.

Sec. 23. The department shall annually submit a written report to both houses of the legislature that explains the results of the initiative. The report must include all of the following for the immediately preceding year:

(a) The total number of applicants that sought approval as training institutions under section 21(1)(a) and (b); the total number of institutions approved; a list of the names of those approved institutions; and the total number and amount of skills scholarships that were awarded by each approved institution.

(b) The total number of programs for which applications were submitted for approval as qualified occupational training programs under section 21(1)(a) and (b); the total number of programs approved; a list of the names or short descriptions of each of those approved programs; and the total number and amount of skills scholarships that were awarded for each approved program.

(c) The total number of individuals who applied for skills scholarships under section 21(1)(e)(ii); the total number of individuals awarded skills scholarships; and the total number of skills scholarships recipients who completed qualified occupational training programs.

(d) Any other relevant information, as determined by the department.

History: 2020, Act 68, Imd. Eff. Apr. 2, 2020;—Am. 2022, Act 252, Eff. Mar. 29, 2023.

COMPENSATION OF COLLEGE ATHLETES
Act 366 of 2020

AN ACT to prohibit postsecondary educational institutions in this state and certain athletic organizations from preventing a college athlete from receiving compensation for the use of his or her name, image, or likeness rights.

History: 2020, Act 366, Imd. Eff. Jan. 4, 2021.

The People of the State of Michigan enact:

390.1731 "Postsecondary educational institution" defined; prohibition on rules, requirement, standard, or limitation on college athletes earning compensation.

Sec. 1. (1) As used in this act, "postsecondary educational institution" means a public or private institution in this state that offers a degree or course of study beyond the twelfth grade and receives state or federal funding of any kind.

(2) A postsecondary educational institution shall not uphold any rule, requirement, standard, or other limitation that prevents a student of that institution from fully participating in intercollegiate athletics based upon the student earning compensation as a result of the student's use of his or her name, image, or likeness rights. Earning compensation from the use of a student's name, image, or likeness rights shall not affect a student's scholarship eligibility or renewal.

History: 2020, Act 366, Imd. Eff. Jan. 4, 2021.

390.1732 Athletic association or conference; prohibition on preventing college athletes from earning compensation.

Sec. 2. An athletic association, conference, or other group or organization with authority over intercollegiate athletics, including, but not limited to, the National Collegiate Athletic Association, shall not do either of the following:

(a) Prevent a student of a postsecondary educational institution from fully participating in intercollegiate athletics based upon the student earning compensation as a result of the student's use of his or her name, image, or likeness rights.

(b) Prevent a postsecondary educational institution from fully participating in intercollegiate athletics without penalty based upon a student's use of his or her name, image, or likeness rights.

History: 2020, Act 366, Imd. Eff. Jan. 4, 2021.

390.1733 Compensation by postsecondary educational institution, athletic association, or conference; prohibition; professional representation.

Sec. 3. A postsecondary educational institution, athletic association, conference, or other group or organization with authority over intercollegiate athletics shall not do either of the following:

(a) Provide a prospective college athlete who will attend a postsecondary educational institution with compensation in relation to the athlete's name, image, or likeness rights.

(b) Prevent a student who resides in this state and participates in intercollegiate athletics from obtaining professional representation in relation to contracts or legal matters regarding opportunities to be compensated for use of the student's name, image, or likeness rights, including, but not limited to, representation provided by an athlete agent or legal representation provided by an attorney.

History: 2020, Act 366, Imd. Eff. Jan. 4, 2021.

390.1734 Grant-in aid or stipend scholarship; revocation or reduction prohibited.

Sec. 4. For purposes of this act, an athletics grant-in aid or stipend scholarship from a postsecondary educational institution in which a student is enrolled is not compensation for use of a student's name, image, or likeness rights, and the institution shall not revoke or reduce an athletics grant-in aid or stipend scholarship based upon a student earning compensation in accordance with this act.

History: 2020, Act 366, Imd. Eff. Jan. 4, 2021.

390.1735 Prohibition on the interference or prevention of professional representation or full participation in intercollegiate athletics.

Sec. 5. (1) A postsecondary educational institution, athletic association, conference, or other group or organization with authority over intercollegiate athletics shall not interfere with or prevent a student from fully participating in intercollegiate athletics based upon the student obtaining professional representation in

relation to contracts or legal matters regarding the student's opportunities to earn compensation for the student's use of his or her name, image, or likeness rights, including, but not limited to, representation provided by an athlete agent or financial advisor, or legal representation provided by an attorney.

(2) An athletic association, conference, or other group or organization with authority over intercollegiate athletics, including, but not limited to, the National Collegiate Athletic Association, shall not prevent a postsecondary educational institution from fully participating in intercollegiate athletics without penalty as a result of a student obtaining professional representation in relation to contracts or legal matters regarding the student's opportunities to earn compensation for the student's use of his or her name, image, or likeness rights, including, but not limited to, representation provided by an athlete agent or financial advisor, or legal representation by an attorney.

(3) For purposes of this section, professional representation by an athlete agent, financial advisor, or attorney must be provided by persons licensed in this state, as applicable.

History: 2020, Act 366, Imd. Eff. Jan. 4, 2021.

390.1736 Apparel contract restrictions.

Sec. 6. A student shall not enter into an apparel contract providing compensation to the student for use of his or her name, image, or likeness rights that requires the student to display a sponsor's apparel, or otherwise advertise for a sponsor, during official team activities if the provision is in conflict with a provision of the student's postsecondary educational institution's team contract.

History: 2020, Act 366, Imd. Eff. Jan. 4, 2021.

390.1737 Disclosure of proposed opportunity or contract; requirements; communication of conflicts.

Sec. 7. (1) A student who intends to enter into a verbal or written opportunity or contract that would provide compensation to the student for use of his or her name, image, or likeness rights shall disclose the proposed opportunity or contract to a designated official of the postsecondary educational institution that the student attends, as designated by that institution, at least 7 days prior to committing to the opportunity or contract, for review by that institution.

(2) If the postsecondary educational institution described in subsection (1) identifies a conflict between the student's proposed opportunity or contract and any existing agreements of the postsecondary educational institution, the postsecondary educational institution shall communicate that conflict to the student so that the student may negotiate a revision of the opportunity or contract to avoid the conflict and that revision is subject to additional review and approval by the postsecondary educational institution in accordance with this section.

(3) A team contract of a postsecondary educational institution's athletic program shall not prevent a student from receiving compensation for using his or her name, image, or likeness rights for a commercial purpose when the student is not engaged in official team activities.

(4) This section does not apply to a contract entered into, modified, or renewed on or before the effective date of this act.

History: 2020, Act 366, Imd. Eff. Jan. 4, 2021.

390.1738 Legal settlement; compliance with act.

Sec. 8. A legal settlement arising under this act shall not permit noncompliance with this act.

History: 2020, Act 366, Imd. Eff. Jan. 4, 2021.

390.1739 Written summary on progress of national policy and any congressional legislation.

Sec. 9. (1) By December 31, 2020 and by December 31, 2021, any nonprofit trade association that represents postsecondary educational institutions in this state shall provide for each of those years, respectively, a written summary of both of the following to the chair of the appropriations committee of the house of representatives, the chair of the appropriations committee of the senate, and the chair of the ways and means committee of the house of representatives:

(a) Progress made by the National Collegiate Athletic Association toward the development of a national policy, including updates to relevant bylaws and rules, on student athlete name, image, and likeness compensation, as directed by that association's board of governors on October 29, 2019.

(b) Congressional action on legislation on student athlete name, image, and likeness compensation, including, but not limited to, the proposed congressional advisory commission on intercollegiate athletics act of 2019, as proposed by H.R. 5528 of the 116th Congress.

(2) By June 30, 2022, any nonprofit trade association that represents postsecondary educational institutions in this state shall provide to the chair of the appropriations committee of the house of representatives, the

chair of the appropriations committee of the senate, and the chair of the ways and means committee of the house of representatives a written summary of the preparedness of the association's respective member institutions toward implementation of this act.

History: 2020, Act 366, Imd. Eff. Jan. 4, 2021.

390.1740 Rights of postsecondary educational institution and student athletes.

Sec. 10. (1) This act does not require a postsecondary educational institution, athletic association, conference, or other group or organization with authority over intercollegiate athletics to identify, create, facilitate, negotiate, or otherwise enable opportunities for a student to earn compensation for the student's use of his or her name, image, or likeness rights.

(2) This act does not establish or bestow the right of a student to use the name, trademarks, services marks, logos, symbols, or any other intellectual property, whether registered or not, of a postsecondary educational institution, athletic association, conference, or other group or organization with authority over intercollegiate athletics, in furtherance of the student's opportunities to earn compensation for the student's use of his or her name, image, or likeness rights.

(3) This act does not limit the right of a postsecondary educational institution to establish and enforce any of the following:

(a) Academic standards, requirements, regulations, or obligations for its students.

(b) Team rules of conduct or other rules of conduct.

(c) Standards or policies regarding the governance or operation of or participation in intercollegiate varsity athletics.

(d) Disciplinary rules and standards generally applicable to all students of the postsecondary educational institution.

History: 2020, Act 366, Imd. Eff. Jan. 4, 2021.

390.1741 Effective dates.

Sec. 11. (1) Sections 9 and 11 of this act take effect on the date it is enacted into law.

(2) Sections 1, 2, 3, 4, 5, 6, 7, 8, and 10 of this act take effect December 31, 2022.

History: 2020, Act 366, Imd. Eff. Jan. 4, 2021.