A bill to establish a tuition assistance program for certain undergraduate students in this state attending certain colleges, universities, and junior and community colleges; to provide for the administration of the tuition assistance program; and to prescribe certain powers and duties of certain state officers, agencies, and departments.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 1. This act shall be known and may be cited as the "Michigan opportunity initiative act".
Sec. 2. As used in this act:

(a) "Continuous enrollment" means enrollment in at least 2 semesters or the equivalent in terms or quarters, as determined by the department, during each academic year for a number of consecutive academic years.

(b) "Department" means the department of talent and economic development.

(c) "Eligible community college" means an accredited junior or community college that meets all of the following:

(i) Is a junior or community college established under the community college act of 1966, 1966 PA 331, MCL 389.1 to 389.195, or part 25 of the revised school code, 1976 PA 451, MCL 380.1601 to 380.1607, or is an independent nonprofit junior or community college in this state.

(ii) Participates in the Michigan transfer agreement program referred to in sections 210b and 265a of the school aid act of 1979, 1979 PA 94, MCL 388.1810b and 388.1865a, or other similar program, as required by the department.

(iii) Participates in the success-coach program described in section 4(h).

(iv) 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.

(d) "Eligible university" means an institution that meets both of the following:

(i) Is one of the following:

(A) A state university described in section 4, 5, or 6 of article VIII of the state constitution of 1963.

(B) An independent nonprofit college or university in this state.
state that grants 4-year degrees.

(ii) Complies with applicable restraints on fee and tuition rate increases, if any, provided for in article III of the school aid act of 1979, 1979 PA 94, MCL 388.1836 to 388.1891.

(e) "Full-time student" means a student enrolled in at least 20 semester credit hours in an academic year or the equivalent number of term or quarter credit hours in an academic year, as determined by the department.

(f) "Gift aid" means scholarships or grants, other than financial assistance provided under the Michigan promise zone authority act, 2008 PA 549, MCL 390.1661 to 390.1679, from sources that do not require repayment. The term does not include student loans, work-study awards, or 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.

(g) "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.

(h) "Michigan opportunity initiative student" means a student admitted to and enrolled in an eligible community college or eligible university and receiving tuition assistance under this act.

Sec. 3. The department shall administer the Michigan opportunity initiative program in the following phases:

(a) Phase I, as provided for in section 4, which the department shall implement not more than 30 days after the effective date of this act.

(b) Phase II, as provided for in section 5, which the
department shall implement after Phase I is underway on a date to be determined by the department.

Sec. 4. The department shall administer Phase I of the Michigan opportunity initiative program, subject to the following:

(a) To be eligible for tuition assistance in Phase I of the program, an individual must meet all of the following conditions by the date of his or her college enrollment described in subparagraph (iii):

(i) Be a resident of this state for at least the immediately preceding year.

(ii) Have graduated from high school with a diploma or certificate of completion or achieved a high school equivalency certificate.

(iii) Be enrolled as a full-time student in a degree or certificate program at an eligible community college not later than the academic year following his or her completion of high school or receipt of a high school equivalency certificate.

(b) Students applying for tuition assistance in Phase I of the program must complete a Michigan opportunity initiative application for their initial year of enrollment in accordance with a schedule determined by the department. Students must also complete the Free Application for Federal Student Aid each academic year in which they seek to receive tuition assistance in Phase I of the program.

(c) To continue to receive tuition assistance in Phase I of the program, a student must do all of the following:

(i) Except as otherwise provided in subdivision (e), maintain continuous enrollment as a full-time student in a degree or certificate program at an eligible community college.

(ii) Maintain satisfactory academic standing as determined by
the eligible community college and department rules.

(iii) Participate in the success-coaches program described in subdivision (h).

(d) Subject to appropriation, the annual amount of tuition assistance to be awarded to a student in Phase I of the program is equal to a student's cost of tuition and mandatory fees at the eligible community college attended less all other gift aid. Gift aid shall be credited first to the student's tuition and mandatory fees. If awarded, tuition assistance shall be paid to the eligible community college for credit to the student's account.

(e) A Michigan opportunity initiative student participating in Phase I of the program who takes a leave of absence from an eligible community college due to a medical or family hardship may, subject to department approval, continue to receive tuition assistance upon resuming the student's education at an eligible community college if the student continues to meet all applicable eligibility requirements. A leave of absence under this subdivision does not disrupt the requirement of continuous enrollment under subdivision (c)(i) and does not count toward the 3-year limitation described in subdivision (f)(i).

(f) A student is eligible for tuition assistance in Phase I of the program until the occurrence of either of the following:

(i) Subject to subdivision (e), 3 years have passed since the student became a Michigan opportunity initiative student at an eligible community college.

(ii) The student has earned 60 semester credits or the equivalent number of term or quarter credits at an eligible community college, as determined by the department.

(g) A student who participates in Phase I of the Michigan
opportunity initiative program may transfer from 1 eligible community college to another eligible community college and continue in the program if the student continues to meet all eligibility requirements.

(h) The department shall establish a success-coach program at each eligible community college that participates in Phase I of the Michigan opportunity initiative program. The success-coach program must include campus-based advisors who will provide Michigan opportunity initiative students at eligible community colleges with support services aimed at helping students succeed with their studies and formulate and follow effective academic and career plans. The department shall determine the qualifications for these advisors, their job duties, processes for hiring and training them, the number needed for a satisfactory coach-to-student ratio, and other requirements related to the success-coach program.

Sec. 5. The department shall administer Phase II of the Michigan opportunity initiative program, subject to the following:

(a) To be eligible for tuition assistance in Phase II of the program, an individual must meet all of the following conditions by the date of his or her university enrollment described in subparagraph (iii):

(i) Be a resident of this state for at least the immediately preceding year.

(ii) Have graduated from high school with a diploma or certificate of completion or achieved a high school equivalency certificate.

(iii) Be enrolled in a 4-year degree program as a full-time student at an eligible university not later than the academic year following his or her completion of high school or receipt of a high
school equivalency certificate.

(iv) Have earned a 3.0 grade point average in high school or the equivalent of a 3.0 test score on the high school equivalency test taken to obtain the high school equivalency certificate as defined in section 2(g), as determined by the department.

(v) Be a member of a household with an annual household income of not more than $80,000.00 under rules promulgated by the department.

(b) Students applying for tuition assistance in Phase II of the program must complete a Michigan opportunity initiative application for their initial year of enrollment in accordance with a schedule determined by the department. Students must also complete the Free Application for Federal Student Aid each academic year in which they seek to receive tuition assistance in Phase II of the program.

(c) To continue to receive tuition assistance in Phase II of the program, a student must do all of the following:

(i) Except as otherwise provided in subdivision (f), maintain continuous enrollment in a 4-year degree program as a full-time student at an eligible university.

(ii) Maintain satisfactory academic standing as determined by the eligible university and department rules.

(iii) Continue to be a member of a household with an annual household income of not more than $80,000.00 under rules promulgated by the department.

(d) The annual amount of tuition assistance to be awarded to a student in Phase II of the program must not exceed the lesser of the following:

(i) The cost of the student's tuition and mandatory fees at the
eligible university attended less all other gift aid.

(ii) $2,500.00.

(e) Awards of tuition assistance in Phase II of the program are subject to appropriation and shall be awarded on a first-come, first-served basis if insufficient funds are appropriated for all eligible students. If awarded, tuition assistance shall be paid to the eligible university for credit to the student's account.

(f) A Michigan opportunity initiative student participating in Phase II of the program who takes a leave of absence from an eligible university due to a medical or family hardship may, subject to department approval, continue to receive tuition assistance upon resuming the student's education at an eligible university if the student continues to meet all applicable eligibility requirements. A leave of absence under this subdivision does not disrupt the requirement of continuous enrollment under subdivision (c)(i) and does not count toward the 2-year limitation described in subdivision (g)(i).

(g) A student is eligible for tuition assistance in Phase II of the program until the occurrence of either of the following:

(i) Subject to subdivision (f), 2 years have passed since the student became a Michigan opportunity initiative student at an eligible university.

(ii) The student has earned 60 semester credits or the equivalent number of term or quarter credits, as determined by the department.

(h) A student who participates in Phase II of the Michigan opportunity initiative program may transfer from 1 eligible university to another eligible university and continue in the program so long as the student continues to meet all eligibility
requirements.

Sec. 6. The department shall promulgate rules to implement this act pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

Enacting section 1. It is the intent of the legislature that money in the talent investment fund created in section 8a of the higher education loan authority act, 1975 PA 222, MCL 390.1158a, shall be expended, upon appropriation, for the purpose of funding the Michigan opportunity initiative program established in the Michigan opportunity initiative act, in accordance with section 8a of the higher education loan authority act, 1975 PA 222, MCL 390.1158a, which states that money in the talent investment fund, upon appropriation, shall be expended "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".