

**SUBSTITUTE FOR
SENATE BILL NO. 463**

A bill to amend 1976 PA 451, entitled
"The revised school code,"
(MCL 380.1 to 380.1852) by adding section 1278e.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **Sec. 1278e. (1) Subject to subsection (2), beginning in the**
2 **2025-2026 school year, in addition to the requirements under**
3 **sections 1278a and 1278b, the board of a school district or board**
4 **of directors of a public school academy shall not award a high**
5 **school diploma to a student unless either of the following applies**
6 **to the student:**

7 **(a) The student has submitted the FAFSA to the United States**
8 **Department of Education.**

9 **(b) The student's parent or legal guardian, or the student if**

1 the student is 18 years of age or older, is an emancipated minor,
2 or is an unaccompanied youth, has submitted a parental waiver to
3 the school district or public school academy exempting the student
4 from the requirement under subdivision (a). The parental waiver
5 described in this subdivision must be obtained through a standard
6 form developed by the department of lifelong education,
7 advancement, and potential in consultation with at least the
8 following organizations:

9 (i) The Institute for College Access and Success.

10 (ii) The Michigan College Access Network.

11 (iii) The Michigan Immigrant Rights Center.

12 (iv) The Wayne Regional Educational Service Agency.

13 (2) The board of a school district or the board of directors
14 of a public school academy shall exempt the student from the
15 requirements in subsection (1) by granting the student an
16 alternative waiver if either of the following is met:

17 (a) The student is unable to complete the FAFSA due to privacy
18 concerns.

19 (b) All of the following are met:

20 (i) After a good-faith effort, the student's parent or legal
21 guardian refuses, is unresponsive, or cannot sign the parental
22 waiver.

23 (ii) The student is unable to submit the FAFSA as an
24 independent student.

25 (iii) The student agrees to opt out of completing the FAFSA.

26 (iv) Other than the requirements in subsection (1), the student
27 is on track to graduate.

28 (v) A school administrator of the student's high school
29 demonstrates to the board of the school district or the board of

1 directors of the public school academy that good-faith efforts have
2 been made to assist the student or the student's parent or legal
3 guardian in meeting the requirement in subsection (1) (a) or (b) .

4 (vi) The board of the school district or board of directors of
5 the public school academy ensures compliance with 42 USC
6 11432(g) (6) (A) .

7 (3) The department of lifelong education, advancement, and
8 potential shall create an informational packet that contains
9 information regarding all of the following and shall provide the
10 informational packet to school districts and public school
11 academies:

12 (a) The importance of completing the FAFSA for accessing
13 federal, state, institutional, and community-based financial aid to
14 access and complete a college degree or postsecondary certificate.

15 (b) A list of available state-based financial aid made
16 available through the FAFSA.

17 (c) How to properly complete and submit the FAFSA, including a
18 breakdown of the information and documentation required for the
19 completion and submission of the FAFSA, with particular attention
20 given to the ability of unaccompanied youth and youth who were in
21 foster care after the age of 13 to complete the FAFSA as
22 independent students to the extent allowable under federal law.

23 (d) Information regarding the parental waiver described under
24 subsection (1) (b) .

25 (e) The FAFSA timeline and submission deadline.

26 (f) Definitions of terminology used in the FAFSA.

27 (g) Submission of the FAFSA directly to schools or scholarship
28 programs .

29 (h) The process required for properly completing the FAFSA

1 verification process.

2 (4) Each school district and public school academy shall
3 ensure that each student enrolled in a school district or public
4 school academy receive the informational packet described in
5 subsection (3) at least once before beginning grade 12.

6 (5) Each school district and public school academy shall take
7 reasonable steps to provide equal language access to students and
8 parents or legal guardians with limited English proficiency
9 throughout the FAFSA submission and opt-out process.

10 (6) By July 15, 2026, and each July 15 thereafter, a school
11 district or a public school academy that operates a high school
12 shall report to the department, and the department shall make
13 public and share with CEPI, both of the following:

14 (a) The number of students enrolled in the school district or
15 public school academy who submitted a parental waiver described in
16 subsection (1)(b), disaggregated by school.

17 (b) The number of students enrolled in the school district or
18 public school academy who were granted an alternative waiver
19 described in subsection (2), disaggregated by school.

20 (7) By August 15, 2026, and each August 15 thereafter, for
21 each school district and public school academy that operates a high
22 school, the department of lifelong education, advancement, and
23 potential, in consultation with the department, shall include all
24 of the following information on its website:

25 (a) The percentage of students who submitted the FAFSA.

26 (b) The percentage of students who completed the FAFSA.

27 (c) The percentage of parental waivers submitted under
28 subsection (1)(b).

29 (d) The percentage of alternative waivers that were granted

1 under subsection (2).

2 (8) By not later than 2 weeks after the department of lifelong
3 education, advancement, and potential posts the information under
4 subsection (7) on its website, the department shall post the same
5 information on its website.

6 (9) Subject to federal and state privacy laws, the department
7 shall share data with the department of lifelong education,
8 advancement, and potential, and the department of lifelong
9 education, advancement, and potential shall maintain the MiSSG data
10 management system that must include uploaded student-level FAFSA
11 data, including, at a minimum, data points of the completed,
12 submitted, or not submitted status; submission date; verification
13 label; missing student signature label; missing parent signature
14 label; and processed date. Before accessing the MiSSG data
15 management system, the board of a school district or the board of
16 directors of a public school academy shall ensure that both of the
17 following are met:

18 (a) A school administrator shall submit a data user agreement
19 to the department of lifelong education, advancement, and potential
20 and shall annually resubmit a data user agreement to maintain
21 access to the system.

22 (b) A school administrator shall designate at least 1
23 authorized high school user to access the system.

24 (10) As used in this section:

25 (a) "CEPI" means the center for educational performance and
26 information created in section 94a of the state school aid act of
27 1979, MCL 388.1694a.

28 (b) "Equal language access" means the ability to receive
29 information and to participate in and benefit from services

1 provided by a school district or public school academy under this
2 section at a level equal to English-proficient individuals.

3 (c) "FAFSA" means the Free Application for Federal Student
4 Aid.

5 (d) "MiSSG data management system" means the department of
6 lifelong education, advancement, and potential's Michigan student
7 scholarships and grants data management system designed for access
8 by students, authorized high school users, and financial aid
9 administrators.

10 (e) "Unaccompanied youth" means that term as defined in 42 USC
11 11434a.